

EASTERN PLYWOOD CORPORATION, PLAINTIFF-APPELLANT, VS. COMMISSIONER OF INTERNAL REVENUE, DEFENDANT-APPELLEE.

G.R. No. L-27075. April 27, 1972

Ponente: MAKALINTAL, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/e798cef18553/>

MAKALINTAL, J.:

Appeal from an order of the Court of First Instance of Rizal dismissing for lack of jurisdiction appellant's complaint for refund of taxes paid by it on sales of saw logs and waste products.

The complaint, filed on January 11, 1966 against the Commissioner of Internal Revenue, alleges that in connection with plaintiff's logging business sales taxes of 7% under Section 186 of the National Internal Revenue Code were assessed and collected from sales of saw logs and waste products from December 1963 to April 1965, amounting to P22,153.23; that plaintiff filed a claim for refund before the Commissioner of Internal Revenue on June 24, 1955, citing the case of Dingalan Forest Products Corporation vs. Commissioner of Internal Revenue,[1] wherein the Court of Tax Appeals held that the sale of forest products by the petitioner therein was not subject to the percentage sales tax since it was not an original sale taxable under Section 186 of the Tax Code, the original sale being that made by the government to the cutter or concessionaire.

The Commissioner moved to dismiss the complaint on the ground that the Court of Tax Appeals has exclusive appellate jurisdiction to review his decisions in cases involving refund of internal revenue taxes.

Plaintiff opposed the motion, claiming that the Commissioner had rendered no decision which could be appealed to the tax court, but had merely issued an order stating that "action on the claim is being held in abeyance" until the Dingalan Forest Products case, then pending on appeal in the Supreme Court, had been finally resolved. The said order, appellant now points out, cannot be considered as a decision which is appealable to the tax court under Section 7 of Republic Act No. 1125.

On July 8, 1966 the court a quo, disclaiming jurisdiction, issued the order of dismissal now complained of and afterwards denied plaintiff's motion for reconsideration.

The procedural question raised in this appeal in connection with the issue of jurisdiction has become moot and academic. The decision of the Court of Tax Appeals in the case of Dingalan Forest Products Corporation vs. Commissioner of Internal Revenue, relied upon by plaintiff in his complaint before the lower court, has been reversed by Us in our decision promulgated on August 27, 1968 (G.R. L-24405), following previous rulings[2] that a forest charge is a tax "upon the privilege of cutting and carting away timber and forest products, which, accordingly, are not sold by the government to the forest concessionaire," and that consequently the original sale of such products which is subject to the tax imposed under Section 186 of the Tax Code is that made by the cutter or concessionaire. The sales taxes in question were therefore properly assessed and collected from appellant, and the dismissal of the complaint would have been proper anyway on this ground.

WHEREFORE, the appeal is dismissed, without pronouncement as to costs.

Reyes, J.B.L., Acting C.J., Zaldivar, Castro, Fernando, Teehankee, Barredo, Makasiar, and Antonio, JJ., concur.
Concepcion, C.J., on official leave.

[1] CTA Case No. 1194, February 15, 1965.

[2] Guerrero vs. Commissioner of Internal Revenue L-19074, January 31, 1967; Cordero vs. Conda L-22369, October 15, 1966.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.