TEMPORARY RESTRAINING ORDER ON THE IMPLEMENTATION OF THE EXPANDED VAT LAW UNDER RA 7716.

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Quoted hereunder is the Temporary Restraining Order dated June 30, 1994, promulgated by the Supreme Court in the cases of Arturo M. Tolentino vs. the Secretary of Finance and the Commissioner of Internal Revenue, G.R. No. 115455, et al.:

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"WHEREAS, the Supreme Court on June 30, 1994 adopted a resolution in the above-entitled cases, to wit:

The Court Resolved to (1) CONSOLIDATE all the above-entitled cases; and (2) SET these cases for HEARING on Thursday, July 7, 1994

"The Court, by a vote of 11 to 4, further Resolved to ISSUE a TEMPORARY RESTRAINING ORDER, effective immediately and continuing until further orders from this Court, ordering all the respondents to CEASE and DESIST from enforcing and/or implementing R.A. No. 7716, otherwise known as the "Expanded Value Added Tax Law.

NOW, THEREFORE, effective immediately and continuing until further orders from this Court, You, respondents Executive Secretary TEOFISTO GUINGONA, JR., Secretary of Finance ROBERTO F. DE OCAMPO, Commissioner of Internal Revenue LIWAYWAY V. CHATO, and Commissioner of Customs GUILLERMO L. PARAYNO, Jr., or your agents, representatives and/or any person or persons acting in your place or stead, are hereby ORDERED to CEASE and DESIST from enforcing and/or implementing R.A. No. 7716, otherwise known as the "Expanded Value Added Tax Law."

GIVEN by the Honorable ANDRES R. NARVASA, Chief Justice of the Supreme Court of the Philippines, this 30th day of June, 1994."

In view of the foregoing, all concerned are enjoined to immediately comply with the following:

1. Stop implementation of the registration requirement for businesses newly covered by the Expanded VAT Law as prescribed under RMO 41-94 and other related revenue issuances.

2. Stop collection of the P1,000.00 annual registration fees prescribed by the expanded VAT Law.

3. All VAT and non-VAT persons shall be governed by the provisions of the National Internal Revenue Code prior to its amendment by Republic Act No. 7716 (e.g., operators of restaurants, refreshment parlors and other eating places including caterers shall continue paying the caterer's tax prescribed under Section 114 of the NIRC prior to its amendment by RA 7716; sale of copra which is exempted from VAT under Section 103 of the NIRC, as amended by RA 7716, shall be subject to 10% VAT pursuant to Section 103 of the old NIRC; sale of real property which became taxable under RA 7716 shall continue to be VAT exempt pursuant to the provisions of Sections 99 and 100 of the old NIRC; etcetera).

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4. All sales invoices heretofore registered with the BIR as non-VAT sales invoices which have been superimposed with rubber stamp marking for issuance as VAT sales invoices pursuant to Revenue Regulations No. 10-94 shall be reverted to and considered remaining as non-VAT sales invoices.

5. All other amendments of the NIRC made by RA 7716 shall be considered ineffective until the Supreme Court has declared otherwise. In the meanwhile, pending decision of the Court, claims for refund of the P1,000.00 annual registration fee made under RA 7716 shall not be given due course.

Adopted: 27 June 1994

(Sgd.) LIWAYWAY VINZONS-CHATO
Commissioner

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