

MODESTO T. FLORES, AS ADMINISTRATOR OF THE TESTATE ESTATE OF THE LATE MARY MCDONALD BACHRACH, PETITIONER, VS. COURT OF TAX APPEALS AND THE COMMISSIONER OF INTERNAL REVENUE, RESP...

G.R. No. L-24186. May 31, 1973

Ponente: ESGUERRA, J.

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ESGUERRA, J.:

On December 29, 1964, the Court of Tax Appeals in its Case No. 1349 rendered judgment upholding the assessment of income tax made by the Collector of Internal Revenue on the estate of the late Mary McDonald Bachrach, from January 1, 1960 to August 9, 1960, and ordering the administrator thereof, herein petitioner Modesto T. Flores, to pay to respondent Commissioner of the Internal Revenue, or his representative, the sum of P316,541.00 with 1/2% monthly interest from April 18, 1961 to February 12, 1963. If the deficiency tax was not paid within 30 days from the date the decision becomes final, petitioner is ordered to pay surcharge and interest as provided in Section 51 (e) of the National Internal Revenue Code. The petitioner appealed to this Court by petition for review for the reversal of the above-mentioned judgment. Briefs of the petitioner and the respondent were duly filed and on January 20, 1966, this case was submitted for decision.

On January 22, 1973, petitioner moved for the dismissal of the appeal from the decision of the Court of Tax Appeals, on the ground that he had availed himself of the Presidential Decree No. 68 dated November 24, 1972, granting amnesty to taxpayers with delinquent tax accounts by reducing their tax liability by 40% if the delinquent tax was paid on or before January 31, 1973. Petitioner alleged in his motion for dismissal that as administrator he paid on January 10, 1973, the amount of P266,375.11 as the tax liability of the testate estate of Mary McDonald Bachrach in accordance with said Presidential Decree. This amount is more than 60% of the tax liability of the said estate in accordance with the computation of respondent Commissioner of Internal Revenue, and payment thereof is evidenced by Official Receipt No. 488233-E dated January 10, 1973, issued therefor.

By resolution of this Court dated January 29, 1973, the motion for dismissal of the appeal was referred to the Solicitor General as counsel for the respondent herein for comment.

On February 8, 1973, the Solicitor General submitted the following comments:

"1. That petitioner did pay on January 10, 1973 to the Bureau of Internal Revenue, thru the Central Bank of the Philippines, the amount of P266,375.11;

"2. That the aforestated amount is a portion of herein petitioner's unpaid tax account under the judgment of the respondent Court of Tax Appeals dated September [sic December] 29, 1964, subject of the instant petition for review;

"3. That amount paid is actually more than 60% [contrary to petitioner's own statement that it is one-half' or 50%] of the judgment under review, as shown in the computation made by the Bureau of Internal Revenue

[please see attached letter];

"4. That the payment is therefore in strict compliance with Presidential Decree No. 68 dated 24 November 1972 as well as Revenue Regulations No. 14-72 dated 8 December 1972, pertinent portions of which read as follows:

Presidential Decree No. 68 -

xxx xxx xxx

'2. That in the case of all delinquent tax account which remains unpaid involving an amount exceeding One Hundred Pesos [P100.00] including all unlisted and/or current tax accounts resulting from assessments and/or letters of demand already issued as of the date of this Decree and/or such accounts which are protested and/or contested, the final resolution of which are still pending in the Bureau of Internal Revenue and/or in courts (it) shall be reduced:

[a] By 40% if said delinquent tax is paid in full on or before January 31, 1973;

[b] By 20% if said delinquent tax accounts is paid in full on or before February 28, 1973;

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'4. That after full settlement of the amounts mentioned herein, the taxpayer shall be free of any civil, criminal or administrative liability insofar as his tax case is involved;

xxx xxx xxx

Revenue Regulations No. 14-72

xxx xxx xxx

SEC 2. General Provisions. - x x x (b) In case of all delinquent tax accounts which remain unpaid involving an amount exceeding one hundred pesos (P100.00) including all unlisted and/or current tax accounts resulting from assessments and/or letters of demand already issued as of November 24, 1972, and/or such accounts which are protested and/or contested, the final resolution of which are still pending in the Bureau of Internal Revenue and/or in courts (it) shall be reduced:

[1] By 40% if said delinquent tax account is paid in full on or before January 31, 1973;

[2] By 20% if said delinquent tax account is paid in full on or before February 28, 1973.

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SEC. 8. Extent of Amnesty. - The amount of unpaid tax account enumerated in Section 5 hereof including surcharge and interest computed from the date of demand and/or assessment up to November 24, 1972 shall be reduced by 40% if paid in full on or before January 31, 1973 or by 20% if paid in full on or before February 28, 1973.

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SEC. 11. Effects of Availing of the Tax Amnesty. - If the taxpayer makes full settlement of his delinquency tax account in the manner prescribed in these regulations, he is relieved of any criminal or administrative liability insofar as said delinquency tax account is concerned.

"5. That the instant case has therefore become moot and academic by petitioner's full acceptance of his tax liability as decreed by the respondent Court, albeit reduced under the said Presidential Decree.

"WHEREFORE, it is respectfully prayed of the Honorable Supreme Court that the instant proceeding be dismissed, without pronouncement as to costs."

Consequently, this case has become moot and academic by the payment of petitioner's tax liability in accordance with Presidential Decree No. 68, dated November 24, 1972, and Revenue Regulations No. 14-72, dated December 8, 1972.

WHEREFORE, the petition for review is hereby dismissed without costs and the records of the case filed.

Makalintal, Acting C.J., Zaldivar, Ruiz Castro, Fernando, Barredo, Makasiar, and Antonio, JJ., concur.
Teehankee, J., took no part.

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