

CARLOS LEDESMA, JULIETA LEDESMA, VICENTE GUSTILO, JR. AND AMPARO LEDESMA DE GUSTILO, PETITIONERS, VS. COURT OF TAX APPEALS AND SILVERIO BLAQUERA, COLLECTOR OF INTERNAL REVENUE, ...*G. R. No. 11343. January 29, 1958*

Ponente: MONTEMAYOR, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-11343/>**MONTEMAYOR, J.:**

This is a petition for mandamus filed by Carlos Ledesma et al., petitioners, to compel the Court of Tax Appeals to proceed with the determination of the petition for review (Court of Tax Appeals Case No. 226) filed with it by the same petitioners herein and to annul the resolution of said Tax Court of July 31, 1956, dismissing said petition for review.

Petitioners are owners of Hacienda Fortuna, composed of 36 parcels of land, situated in San Carlos, Negros Occidental, originally belonging to the spouses Julio Ledesma and Florentina Ledesma, which they purchased on July 9, 1948. On March 22, 1950, the Collector of Internal Revenue, later on referred to as the Collector, assessed on Hacienda Fortuna an income tax alleged to be due for the year 1949, in the amount of P23,704.22, including surcharges and penalties, claiming the Hacienda to be an unregistered general copartnership, with the petitioner as the unregistered copartners. Petitioners equally claim that they were mere co-owners pro indiviso of the property, and so were not liable for the amount included in the assessment. By a ruling dated March 12, 1955, the Collector overruled petitioner's contention, as well as a subsequent motion for reconsideration, in a letter dated December 20, 1955. On January 3, 1956, petitioners filed the petition aforementioned in the Court of Tax Appeals, docketed as Case No. 226.

However, on March 22, 1955, before the filing of the petition for review of this ruling with the Tax Court, the collector filed a civil action against the petitioners in the Court of First Instance of Negros Occidental, for the collection of the same assessment for the year 1949, which action was docketed as Civil Case No. 3373. On January 14, 1956, the Collector filed a motion with the Tax Court to dismiss the petition for review, alleging the pendency of Civil Case No. 3373 before the Negros Occidental court, and claiming the same to constitute a bar to the petition for review on the ground that the two actions involved the same parties, the same subject matter, and the same cause of action.

On July 31, 1956, the Tax Court issued the resolution dismissing the petition for review. We quote a certain portion of the resolution:

"The said Court of First Instance having acquired jurisdiction over the assessment in controversy prior to the institution of this case, we therefore believe that such fact has deprived this Court of the right to entertain the present petition for review covering the same cause of action, for a judgment in Civil Case No. 3373 would constitute res adjudicata between parties." (Annex "E").

Later, the Tax Court denied a motion for reconsideration of its resolution. Petitioners also filed a motion in the

Negros Occidental court to remand Civil Case No. 3373 to the Tax Court, pursuant to Section 22 of Republic Act No. 1125, which reads as follows:

"Sec. 22. Pending cases to be remanded to court.—All cases involving disputed assessment of Internal Revenue taxes or customs duties pending determination before the Court of First Instance shall be remanded by the respective clerk of court to Court of Tax Appeals for disposition thereof",

which motion is still pending action in said Negros Occidental court. For purposes of reference, we are reproducing Sections 7 and 11 of Republic Act No. 1125, creating the Court of Tax Appeals:

"Sec. 7. Jurisdiction.—The Court of Tax Appeals shall exercise exclusive appellate jurisdiction to review by appeal, as herein provided—

(1) Decisions of the Collector of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto, or other matters arising under the National Internal Revenue Code or other law or part of law administered by the Bureau of Internal Revenue;

* * * * *

"Sec. 11. Who may appeal; effect of appeal.—Any person, association or corporation adversely affected by a decision or ruling of the Collector of Internal Revenue, the Collector of Customs or any provincial or city Board of Assessment Appeals may file an appeal in the Court of Tax Appeals within thirty days after the receipt of such decision or ruling."

From the above legal provisions, there is no question that petitioners had the right to appeal from the ruling or decision of the Collector assessing the income tax against them, to the Court of Tax Appeals and that the latter had exclusive appellate jurisdiction over said appeal. If the petitioner were not allowed to appeal from said ruling, the latter would become final. It was, therefore, to their interest to keep alive said appeal and if possible, to have the appealed ruling or decision of the Collector reviewed. It is true that an action involving the same parties, the same subject matter and the same cause of action is pending in the Negros Occidental court; but we understand that the main purpose of the enactment of Republic Act No. 1125, creating the Court of Tax Appeals, was not only give said court exclusive appellate jurisdiction over disputed tax assessments, but also to transfer to its jurisdiction all cases involving said assessments previously cognizable by Courts of First Instance and even those already pending in said courts, as may be seen from the provisions of Republic Act 1125 which we have already reproduced.

From what we recall of the explanatory note as well as the legislative discussion of the bill which resulted in Republic Act No. 1125, one of the reasons for transferring jurisdiction over disputed tax assessment cases from the Courts of First Instance to the Court of Tax Appeals was that, considering the many cases on different subject matter which the Courts of First Instance had to hear and determine, oftentimes disputed tax assessment cases took a long time, even years, to decide, and so for purposes of expediency and the prompt collection of taxes, the Tax Court was created, and was given a limited time within which to determine said cases before it (30 days after their submission for decision).

After the creation of the Court of Tax Appeals, we see no reason or occasion for the Collector to enforce his assessments by means of civil action before the Courts of First Instance. In the first place as already stated said actions take a relatively long time to determine. In the second place, there is no need for enforcing his tax assessment in that manner because his ruling or decision is enforceable against the taxpayer, unless the latter appeals therefrom, and even when appealed, there is an assurance that the Tax Court without loss of time, would decide the appeal. Besides, the Government and the Collector will suffer no loss or prejudice by the appeal, for the reason that said appeal will not "suspend the payment, levy, distraint, and/or sale of any property of the

taxpayer for the satisfaction of his tax liability as provided by existing law". (Par. 2, Sec. 11, Republic Act 1125). Moreover, we must bear in mind that the taxpayer and businessman is as much interested as the Collector in the early and final determination of his tax assessment, so that he would know as soon as possible how much he is liable to pay as taxes, which information is necessary for the proper operation of his business. To allow the filing of ordinary civil cases in the ordinary courts to enforce rulings of the Collector on assessments, would rob Republic Act No. 1125, creating the Court of Tax Appeals, of its principal objectives, namely, of the expeditious determination of disputed tax assessments, and also deprive the taxpayer of the remedy of appeal from the Collector's rulings and decisions to the Tax Court which is in a position to determine and finally decide said tax assessments in the shortest time possible.

As to question of procedure, petitioners should have appealed to us the resolution of dismissal of the Tax Court. That was a plain, speedy and adequate remedy; although petitioners may have been impressed and obsessed by the consideration that the Tax Court through error, neglected and even refused the performance of an act specifically enjoined as duty as such appellate court, and excluded petitioners from the use of their right of appeal. However, because of the great importance of this case, calling as it does for interpretation for the first time of the law on court jurisdiction over disputed tax assessments, we are willing to consider as we do consider the present petition as one for review.

In view of the foregoing, we believe and hold that the Court of Tax Appeals was in duty bound to give due course to the appeal or petition for review filed with it by the petitioners. Setting aside its resolution dismissing the appeal, the Tax Court is hereby directed to proceed with the determination of said petition for review No costs.

Paras, C. J., Bengzon, Padilla, Reyes, A., Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Endencia, and Felix, JJ., concur.

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.