

THE COLLECTOR OF INTERNAL REVENUE, PETITIONER, VS. ALFONSO FAVIS, ET AL., RESPONDENTS.

G.R. No. 11551. May 30, 1960

Ponente: PARAS, C.J.

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PARAS, C.J.:

This is an appeal from a decision of the Court of Tax Appeals reversing the decision of the Collector of Internal Revenue imposing an assessment of P2,511.00 against the Favis Car Exchange.

It appears that in a letter dated January 20, 1953, the United States Navy informed the Collector of Internal Revenue that Lt. H. N. Maragidas of the U. S. Navy, Cavite City, sold one Chevrolet, Tudor Sedan, Fleetline de Luxe 1950, bearing engine serial No. HAM 198779, body serial No. 14 HKD-66495 to the Favis Car Exchange of Manila. Accordingly, a letter of demand dated April 29, 1953 was sent by the Collector of Internal Revenue to the said car exchange demanding payment of the sum of P2,511 representing sales tax on the aforesaid car. On receipt of the said letter of demand, Arturo Favis, proprietor of the Car Exchange protested against the assessment and demanded a reinvestigation of the case. After due hearing, the Conference Staff of the Bureau of Internal Revenue was of the opinion that the Favis Car Exchange was the purchaser for value of the car in question and therefore recommended the collection of the sum of P2,511 from the same. On December 17, 1953, Alfonso Favis, a brother of Arturo Favis, requested for a reconsideration and rehearing of the case. A rehearing was granted and at its termination the investigating staff found that the claim that Alfonso Favis loaned P4,500 to Jose Crisologo and the latter brought the car with the said money was only a devise to circumvent the collection of the tax. On November 20, 1954, the collector of Internal Revenue issued a warrant of distraint and levy on appellee-company to collect the aforesaid obligation. Alfonso Favis on March 12, 1955, filed a petition for review with the Court of Tax Appeals and after due hearing the decision under appeal was rendered.

Appellant contends that it has been amply shown that the original purchaser of the car was the Favis Car Exchange and that Jose Crisologo was its dummy; that the testimony of Revenue Agent Mingoa attests to the fact that the money used in the purchase by Crisologo was the loan obtained from Alfonso Favis, a brother of Arturo Favis, the owner of the Favis Car Exchange; that there was the admission by Crisologo to said Agent Mingoa that the real buyer was the Favis Car Exchange.

Appellant's evidence to support its theory, of the case is too weak to constitute reversible error. In the first place the Deed of Sale (Exh. "E") between Lt. Maragidas and Jose Crisologo clearly named Crisologo as the vendee. Secondly, the loan was made by Alfonso Favis who was and is not an owner of appellee car exchange. Thirdly, the admission by Crisologo as testified to by Agent Mingoa regarding the identity of the buyer in that transaction with Lt. Maragidas cannot be received without reservation in view of the natural impulse of every man to protect himself from any liability. Had said Crisologo himself been presented in court and subjected to cross examination, this Court may have given the same some value. Considering further the disposition of the said car after Crisologo's purchase, the same having been sold then by Crisologo to the Luneta Motors Company without appellee car exchange's intervention whatsoever, we are more than convinced that Crisologo was the real

purchaser from Lt. Maragidas. "Purchase in one's own name with another's money generally gives title to the purchaser, that is to him who appears in the deed to have made the purchase in his own name." (see case of Enriquez vs. Olaguer, 25 Phil. 641)

The decision under consideration having been found in order, the same is hereby affirmed without pronouncement as to costs. So ordered.

Bengzon, Montemayor, Bautista Angelo, Labrador, Concepcion, Barrera, and Gutierrez David, JJ., concur.

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