

MANILA RAILROAD COMPANY, PLAINTIFF AND APPELLANT, VS. ASUNCION MITCHEL VIUDA DE SY QUIA ET AL., DEFENDANTS AND APPELLANTS

G. R. No. 41213. August 29, 1934

Ponente: IMPERIAL, J.

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IMPERIAL, J.:

On February 18, 1918, the herein plaintiff Manila Railroad Company instituted in the Court of First Instance of Manila civil case No. 15873 against Asuncion Mitchel Viuda de Sy Quia and others, to expropriate for public use, among other parcels of land, the parcel situated at Nos. 973 to 999 Azcarraga, Manila, known as lot No. 1, block No. 14, of the district of Tondo. After filing a bond for P150,000, the plaintiff, on February 20th of the same year, took possession of the land and thenceforth made use of it. On September 15, 1925, the court entered judgment declaring the plaintiff to be entitled to the expropriation applied for and adjudicated to the defendant Viuda de Sy Quia the sum of P439,395.53, by way of indemnity. The judgment upon appeal, was affirmed by this court on December 24, 1926.[1]

In February, 1927, the plaintiff paid said sum to the defendant and certificate of title No. 27800 was issued in its favor for said property.

From 1918 to 1926, inclusive, the defendant, as judicial administratrix of the intestate estate of the deceased Pedro Sy Quia, paid to the City of Manila the sum of P19,383.98 for taxes on said property. Said defendant refused to pay the tax corresponding to the year 1927, for which reason the City of Manila was compelled to bring an action against her and the plaintiff Manila Railroad Company to collect the same. Judgment was rendered in favor of the City of Manila, providing that, in case of failure of the defendant administratrix to pay the tax, the same could be made effective against the property already adjudicated to the plaintiff. The judgment was affirmed on appeal.[1] Steps were taken for the execution of the judgment and petitions had been filed in the intestate proceedings of Pedro Sy Quia, but said petitions were denied. The City of Manila then addressed a communication to the plaintiff, with the information that, if the latter did not pay the amount of the judgment, it would levy on the property acquired through condemnation proceedings. To avoid the attachment of the property and its sale at public auction, the plaintiff, on June 5, 1931, paid to the City of Manila, under protest, the sum of P3,796, representing the total amount due on the land for the tax and penalties.

To recover the amount paid by it, the plaintiff brought an action against the heirs of Pedro Sy Quia, and not against the latter's intestate estate in view of the fact that the same had already been definitely closed and the property had been adjudicated to said heirs. To recover the amount paid by the administratrix to the City of Manila by way of taxes during the aforesaid period, the defendants, in turn, set up a counterclaim in their answer. Both parties appealed from the judgment absolving the defendants from the complaint and the plaintiff from the counterclaim.

In absolving the defendants from the complaint, the trial court based its decision on article 1158 of the Civil Code

which provides that any person who has made a payment for the account of another cannot recover the amount of the payment when it had been made against the express will of the latter. Upon this point the court held that it had been proven that the defendants, particularly the administratrix, were opposed to the payment of the tax by the plaintiff.

However, in order to decide the question whether or not the plaintiff is entitled to recover what it paid, it is not necessary to apply said article or the other provisions of the same Code. Section 2493 of the Revised Administrative Code, as amended, provides that all real estate and their improvements, situated in the City of Manila, are subject to an annual tax of one and one-half per centum (1 1/2 %) which shall be due and payable on or before the 30th day of June of each year. Said section gives the taxpayer, if he so desires, an option to pay the tax in two installments; the first, which consists of one per centum (1%) of the assessed valuation of the property, must be paid on or before the thirtieth day of June, and the balance of 1/2 per cent on or before the 1st day of January of the following year. Although the tax thus levied constitutes a superior lien on the property, in conformity with the provisions of section 2497, the taxpayer is neither in default or delinquent, nor subject to any penalty or surcharge until the periods granted have expired. Applying these provisions to the defendants' case, it appears that, even if the tax corresponding to the year 1927 was fixed at the beginning of that year, they, however, had the option to pay it until the 30th day of June of that year and the 1st day of January of the following year, and not until then could they become delinquent or liable to any penalty. The plaintiff became the owner of the real estate and obtained the certificate of title in February, 1927. At that time the defendants were not yet bound to pay the tax, because they were not then delinquent. If, at the expiration of the periods granted by law for the payment, the plaintiff was already the owner and possessor of the title to the land and its improvements, it seems logical and just to hold that it was the plaintiff who was bound to pay the tax in question and that it has no cause of action against the herein defendants. And this becomes clearer still if it is borne in mind that the plaintiff made the payment on June 5, 1931.

We have not overlooked the fact that, when this same question was raised twice before this court (G. R. Nos. 29010 [1] and 32474 [2]), it was said that the disputed tax was an indebtedness of and should be paid by the intestate estate of the deceased Pedro Sy Quia. However, we are now convinced that, interpreting section 2493 of the Revised Administrative Code more logically and justly, it should be held that it is the plaintiff, as above stated, who was obliged to make payment, in view of the fact that the heirs of the original owner had not yet been in default or delinquent.

As to the counterclaim, the court absolved the plaintiff because it was of the opinion that the action had already prescribed. To decide the dispute, it is unnecessary to determine whether or not the action has prescribed. When the then administratrix voluntarily paid the taxes corresponding to the years 1918 to 1926, inclusive, the property still belonged to the intestate estate, and for this reason alone it is evident that the plaintiff is not bound to reimburse the defendants.

We are also aware of the fact that the plaintiff immediately took possession of the land and that the defendants were deprived of the use thereof from February 20, 1918. Under such circumstances, it would seem reasonable to obligate the plaintiff to pay the taxes corresponding to said years, at least by way of indemnity. But in the judgment adjudicating to the plaintiff the land it sought to expropriate, upon payment of indemnity, the court awarded to the defendants, or to the intestate estate of the deceased owner, legal interest on the total amount of the indemnity from February 20, 1918, the date on which the plaintiff deprived the defendants of their possession, until the date of payment. This interest, which has already been paid, sufficiently compensates the deprivation of the defendants' possession.

Wherefore, the appealed judgment is affirmed without special pronouncement as to costs. So ordered.

Malcolm, Villa-Real, Butte, and Goddard, JJ., concur.

[1] Manila Railroad Co. vs. Mitchel (49 Phil., 801).

[1]G. R. No. 32474. City of Manila vs. Michael and Manila Railroad Co., promulgated May 22, 1930, not reported.

[1] 52 Phil., 138.

[2] Not reported.

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