

**NATIONAL POWER CORPORATION, PETITIONER, VS. PROVINCE OF
LANAO DEL SUR, LANA DEL SUR GOVERNOR SAIDAMEN B.
PANGARUNGAN AND LANA DEL SUR PROVINCIAL TREASURER
HADJI MACMOD L. DALI...**

G.R. No. 96700. November 19, 1996

Ponente: PANGANIBAN, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-96700/>

PANGANIBAN, J.:

Is petitioner National Power Corporation liable for real property taxes for the period June 14, 1984 to December 31, 1989 amounting to more than P154 million? To compel payment of petitioner's alleged delinquency in its realty taxes, did respondents act correctly in selling at public auction petitioner's real properties on which is situated its hydroelectric power plant complex?

Petitioner filed the instant special civil action for prohibition to (1) perpetually prohibit and enjoin respondents from disposing and selling, (2) annul the auction sale of, and (3) cancel the registration of the certificate of sale involving the aforesaid real properties of the petitioner.

The Facts

Petitioner National Power Corporation is the owner of certain real properties situated in Saguilaran, Lanao del Sur, more particularly described in Tax Declarations Nos. D-802-A, D-803-A, D-804-A, D-805-A, D-806 and D-807 issued by the Office of the Provincial Assessor of Lanao del Sur. Said properties comprised petitioner's Agus II Hydroelectric Power Plant Complex. Petitioner was assessed real estate taxes on said properties in the amount of one hundred fifty four million one hundred fourteen thousand eight hundred fifty four pesos and eighty two centavos (P154,114,854.82) covering the period from June 14, 1984 to December 31, 1989,[1] allegedly because petitioner's exemption from realty taxes had been withdrawn.

On August 7, 1990, a demand letter was sent by respondent provincial treasurer to the petitioner for the payment of real property taxes due on the abovementioned properties. On August 21, 1990, a second demand letter[2] from respondent provincial treasurer was sent to petitioner with a warning that unless the obligation was settled, legal remedies would be resorted to the respondent province. On December 14, 1990, a Notice of Auction (Sale) covering the subject properties was served on petitioner.[3] A copy of said notice was posted for one month from December 17, 1990 to January 17, 1991 at the main entrance of the provincial capitol building in Marawi City and at the plant site in Saguilaran, Lanao del Sur. It was also published in the December 17 and 24, 1990 and January 5, 1991[4] issues of the Philippine Daily Inquirer and the December 17 and 24, 1990 issues of the Lake Lanao Times. The auction sale was scheduled to be held at 10:00 A.M. of January 22, 1991 at the Office of the Provincial Treasurer in Marawi City.

On January 18, 1991, petitioner filed directly with this Court the instant petition for prohibition with prayer for a writ of preliminary injunction and/or temporary restraining order. On January 21, 1991, this Court issued a temporary restraining order[5] enjoining respondents from proceeding with and conducting the auction sale of the

subject properties.

The auction sale was however held as scheduled with the Province of Lanao del Sur as the sole bidder. A certificate of sale was immediately issued and registered with the Register of Deeds of the province at 1:30 p.m. of the same day.[6]

At 2:30 and 3:00 p.m. of the same day, respondents provincial governor and provincial treasurer respectively[7] received telegraphic notices of this Court's restraining order.

Respondents submitted their comment on February 14, 1991 to which petitioner filed its reply on April 29, 1991. Rejoinder was submitted on October 25, 1993. Thereafter, this Court gave due course to the petition and the parties thus filed their respective memoranda.

Anent the tax exempt status of petitioner for the period up to December 31, 1989, the following are the relevant laws and resolutions:

(1) Commonwealth Act No. 120, which became effective on November 3, 1936, created the petitioner as a non-profit public corporation wholly owned by the government of the Republic of the Philippines tasked to undertake the development of hydraulic power and the production of power from other sources.[8] Section 13 thereof exempted it from the payment of all forms of taxes, duties, fees, imposts as well as costs and service fees including filing fees, appeal bonds, supersedeas bonds, in any court or administrative proceedings "to enable the Corporation to pay its indebtedness and obligations."

(2) Section 2 of Republic Act No. 358, which took effect on June 4, 1949, exempted petitioner "from all taxes, duties, fees, imposts, charges and restrictions of the Republic of the Philippines, its provinces, cities and municipalities" in order to facilitate payment of its indebtedness.

(3) Republic Act No. 6395, which took effect on September 10, 1971, revised the charter of the petitioner. To quote the Solicitor General:

"Congress declared as a national policy the total electrification of the Philippines through the development of power from all sources to meet the needs of industrial development and rural electrification. The corporate existence of NAPOCOR was extended to carry out this policy, specifically to undertake the development of hydroelectric generation of power and the production of electricity from nuclear, geothermal and other sources, as well as the transmission of electric power on a nationwide basis. And having been declared by legislative fiat as a non-profit public corporation with a responsibility of devoting all its returns from its capital investment as well as excess revenues from its operation for expansion, petitioner was granted exemption from the payment of all forms of taxes, duties, fees, imposts and other charges by the government and its instrumentalities. Thus, Section 13 of RA 6395 provides in detail such exemptions, to wit:

'SEC. 13. Non-profit Character of the Corporation; Exemption from All Taxes, Duties, Fees, Imposts and Other Charges by Government and Governmental Instrumentalities. - The Corporation shall be non-profit and shall devote all its returns from its capital investments, as well as excess revenues from its operation, for expansion. To enable the Corporation to pay its indebtedness and obligations and in furtherance and effective implementation of the policy enunciated in Section One of this Act, the Corporation is hereby declared exempt:

(a) From the payment of all taxes, duties, fees, imposts, charges, costs and service fees in any court or administrative proceedings in which it may be a party, restrictions and duties to the Republic of the Philippines, its provinces, cities, municipalities and other government agencies and instrumentalities;

(b) From all income taxes, franchise taxes and realty taxes to be paid to the National Government, its provinces, cities, municipalities and other government agencies and instrumentalities;

(c) From all import duties, compensating taxes and advanced sales tax, and wharfage fees on import of foreign goods required for its operations and projects; and

(d) From all taxes, duties, fees, imposts, and all other charges imposed by the Republic of the Philippines, its provinces, cities, municipalities and other government agencies and instrumentalities on all petroleum products used by the Corporation in the generation, transmission, utilization, and sale of electric power.' (Underscoring supplied).

(4) On January 22, 1974, Presidential Decree No. 380 amended Section 13, paragraphs (a) and (d), of RA 6395 by specifying, among others, the exemption of petitioner from taxes, duties, fees, imposts and other charges imposed, "directly or indirectly", on all petroleum products used by petitioner in its operations.

(5) On June 1, 1974, Presidential Decree No. 464, also known as the Real Property Tax Code, was enacted into law. Section 40(a) thereof provides:

"Section 40. Exemptions from Real Property Tax. -- The exemption shall be as follows:

(a) Real property owned by the Republic of the Philippines or any of its political subdivisions and any government-owned corporation so exempt by its charter; x x x."

(6) On August 24, 1975, Presidential Decree No. 776 was promulgated, creating the Fiscal Incentives Review Board (FIRB). Among other things, the Board was tasked as follows:

"Section 2. A Fiscal Incentives Review Board is hereby created for the purpose of determining what subsidies and tax exemptions should be modified, withdrawn, revoked or suspended, which shall be composed of the following officials:

Chairman -- Secretary of Finance

Members -- Secretary of Industry

-- Director General of the National

Economic and Development Authority

-- Commissioner of Internal revenue

-- Commissioner of Customs

The Board may recommend to the President of the Philippines and for reasons of compatibility with the declared economic policy, the withdrawal, modification, revocation or suspension of the enforceability of any of the above-cited statutory subsidies or tax exemption grants, except those granted by the Constitution. To attain its objectives, the Board may require the assistance of any appropriate government agency or entity. The Board shall meet once a month, or oftener at the call of the Secretary of Finance."

(7) Section 10 of Presidential Decree No. 938, dated May 27, 1976, further amended the aforestated provisions of Section 13 of RA 6395 by integrating the various tax exemptions therein into a general exemption from "all forms of taxes, duties," etc. under one paragraph, making said Section 13 read as follows:

"Sec. 13. Non-profit Character of the Corporation; Exemption from All Taxes, Duties, Fees, Imposts and Other Charges by the Government and Government Instrumentalities. - The Corporation shall be non-profit and shall devote all its returns from its capital investment as well as excess revenues from its operation, for expansion. To enable the Corporation to pay its indebtedness and obligations and in furtherance and effective implementation of the policy enunciated in Section One of this Act, the Corporation, including its subsidiaries, is hereby declared exempt from the payment of all forms of taxes, duties, fees, imposts as well as costs and service fees including filing fees, appeal bonds, supersedeas bonds, in any court or administrative proceedings." (Underscoring supplied).

(8) On June 11, 1984, Presidential Decree No. 1931, in its Section 1, withdrew all tax exemption privileges granted to government-owned or controlled corporations. However, Section 2 thereof provided:

"The President of the Philippines and/or the Minister of Finance, upon the recommendation of the Fiscal Incentives Review Board (FIRB) x x x is hereby empowered to restore, partially or totally, the exemptions withdrawn by Section 1 x x x."

(9) Pursuant to Sec. 2 of PD 1931, on February 7, 1985, the FIRB issued Resolution No. 10-85[9] restoring petitioner's tax and duty exemption privileges enjoyed by it under CA 120 as amended, effective from June 11, 1984 up to June 30, 1985. And, subsequently, FIRB Resolution No. 1-86[10] extended the said tax and duty exemption privileges of petitioner from July 1, 1985 onwards indefinitely.

(10) On December 17, 1986, President Corazon Aquino promulgated Executive Order No. 93 effective March 10, 1987, once again withdrawing all tax and duty incentives of government and private entities. But Section 2 thereof gave FIRB the authority to "restore tax and/or duty exemptions withdrawn hereunder."

(11) On June 24, 1987, the FIRB issued Resolution No. 17-87[11] once again restoring petitioner's tax and duty exemption privileges, effective as of March 10, 1987 (the effectivity date of E.O. 93).

(12) Finally, in a Memorandum dated October 5, 1987 addressed to the Chairman, FIRB, then Acting Executive Secretary Catalino Macaraig, Jr. confirmed and approved, by authority of the President, FIRB Resolution No. 17-87.

The Issues

The main issue in this petition is whether or not respondent province and provincial officials can validly and lawfully assess real property taxes for the period June 14, 1984 to December 31, 1989 against, and thereafter sell at public auction, the subject properties of petitioner to effect collection of alleged deficiencies in the payment of such taxes.

The preliminary but pivotal issue however is whether or not petitioner has ceased to enjoy its tax and duty exemption privileges, including its exemption from payment of real property taxes.

Petitioner's position, simply put, is that it has never been effectively deprived of its tax and duty exemption privileges granted under CA 120, as amended, and RA 6395, as amended, and which, although temporarily withdrawn, were just as quickly restored, such that at no time did it lose its tax-exempt status. Hence, never did it become liable for realty taxes, and therefore, the subject properties were wrongfully levied upon and sold at auction.

On the other hand, respondents' position is that the petitioner's exemption from payment of realty taxes had been withdrawn or revoke by virtue of PD 1931, and had never been validly restored by the FIRB Resolutions aforementioned, nor by the memorandum of Exec. Sec. Macaraig, Jr., thereby rendering petitioner liable for realty taxes for the period June 14, 1984 up to December 31, 1989. Relying on *National Power Corporation vs. Province of Albay*,^[12] which they claim is based on analogous facts, respondents contend that, under Sec. 2 of PD 776 (promulgated August 24, 1975) which created the FIRB, and in line with Sec. 2 of PD 1931, the FIRB is given or granted only a recommendatory power, and is devoid of authority to impose taxes or revoke existing ones, which under the constitution, only the legislature may do. Neither could it validly prescribed exemptions nor restore taxability by itself. Respondents argue that FIRB Resolutions No. 10-85 and 1-86 were issued in excess of authority, and constitute an undue delegation of taxing power. Thus, they are constitutionally defective and therefore null and void; and given the same rationale, EO 93, insofar as it authorizes, in its Section 2, the FIRB to inter alia restore tax and/or duty exemptions withdrawn under Section 1 thereof, is similarly void and of no force

and effect. Respondents also assail the said FIRB resolutions as invalid and ineffective; firstly, because in each case, there was only one signatory thereof (viz., then Acting Minister of Finance Alfredo Pio de Roda, Jr. and then Minister of Finance Cesar E.A. Virata, respectively), emphasizing that the FIRB is not a one-man body; and secondly, because two separate and distinct acts were required -- a recommendation and an approval -- which could not be combined and performed by a single person acting both as head of the FIRB and as minister of finance.

The Court's Ruling

Preliminary Issue: Valid Restoration of Tax Exemptions

Although Section 1 of PD 1931 withdrew all tax exemptions presumably including those of petitioner, Section 2 thereof authorized and empowered the President and/or the Minister of Finance to restore the same to deserving entities. In order to reinstate the petitioner's tax exemptions, Hon. De Roda, Jr., in his concurrent capacities as Acting Minister of Finance and as Acting Chairman of FIRB, signed FIRB Resolution No. 10-85 which was made effective as of June 11, 1984, the promulgation date of PD 1931, until June 30, 1985. On the other hand, by virtue of FIRB Resolution No. 1-86, Hon. Virata fully restored the tax exemption as of July 1, 1985, to continue for an indefinite period. He also signed the same in his dual capacities as Minister of Finance and as Chairman of the FIRB. The resolution specifically provided that:

"2. The NPC as a government corporation is exempt from the real property tax on land and improvements owned by it x x x pursuant to the provisions of Section 40 (a) of the Real Property Tax Code, as amended."

While EO 93 again withdrew the tax exemption of petitioner, through its Section 1, as follows:

"Section 1. The provisions of any general or special law to the contrary notwithstanding, all tax and duty incentives granted to government and private entities are hereby withdrawn, except:

x x x x x x x x x

f) those approved by the President upon the recommendation of the Fiscal Incentives Review Board."

nevertheless. It also stated:

"Section 2. The Fiscal Incentives Review Board created under PD 776, as amended, is hereby authorized to:

(a) restore tax and/or duty exemptions withdrawn hereunder in whole or in part;

(b) revise the scope and coverage of tax and/or duty exemption that may be restored;

(c) impose conditions for the restoration of tax and/or duty exemption;

(d) prescribed the date or period of effectivity of the restoration of tax and/or duty exemption;

(e) formulate and submit to the President for approval, a complete system for the grant of subsidies to deserving beneficiaries, in lieu of or in combination with the restoration of tax and duty exemptions or preferential treatment in taxation, indicating the source of funding therefor, eligible beneficiaries and the terms and conditions for the grant thereof, taking into consideration the international commitments of the Philippines and the necessary precautions such that the grant of subsidies does not become the basis for countervailing action." (underscoring supplied)

Pursuant thereto, FIRB Resolution No. 17-87 restored the tax exemption privileges of the petitioner effective March 10, 1987. Again, the resolution was signed by De Roda, Jr. in his dual capacities as Acting Secretary of Finance and as Chairman, FIRB. This resolution was confirmed and approved by then Acting Executive Secretary Macaraig, by the authority of the President.

Considering the entire chain of events, it is clear that petitioner's tax exemptions for the period in question (1984-1989) had effectively been preserved intact by virtue of their restoration through FIRB resolutions.

Respondents however vigorously argue that the FIRB, through the above-mentioned resolutions, arrogated unto itself the power to restore tax exemptions which it never possessed under PD 776 and EO 93. Respondents insist that FIRB effectively exercised not merely the power to recommend exemptions but the very authority to grant the same, which was lodged in the Minister of Finance and the President. As proof of this, it did not secure any recommendation from any other body or office. Instead, one and the same individual recommended -- in his capacity as FIRB chairman -- and then approved -- in his capacity as Minister of Finance -- the grant of the exemption. For this reason, FIRB Resolution Nos. 10-85 and 1-86 were held by this Court in the Albay case to be null and void:

" x x x, the FIRB, under its charter, Presidential Decree No. 776, had been empowered merely to 'recommend' tax exemptions. By itself, it could not have validly prescribed exemptions or restore taxability. Hence, as of June 11, 1984 (promulgation of Presidential Decree No. 1931), NAPOCOR had ceased to enjoy tax exemption privileges." [13]

Such arguments are no longer tenable. Albay had since been modified and superseded by *Maceda vs. Macaraig, Jr.*, [14] where this Court En Banc expressly ruled that FIRB Resolution Nos. 10-85 and 1-86 are valid:

"x x x FIRB Resolution Nos. 10-85 and 1-86 x x x were issued in compliance with the requirement of Section 2, P.D. No. 1931, whereby the FIRB should make the recommendation subject to the approval of 'the President of the Philippines and/or the Minister of Finance.' While said Resolutions do not appear to have been approved by the President, they were nevertheless approved by the Minister of Finance who is also duly authorized to approve the same. In fact it was the Minister of Finance who signed and promulgated said resolutions.

The observation of Mr. Justice Sarmiento in the dissenting opinion that FIRB Resolution Nos. 10-85 and 1-86 which were promulgated by then Acting Minister of Finance Alfredo de Roda, Jr. and Minister of Finance Cesar E.A. Virata, as Chairman of FIRB, respectively, should be separately approved by said Minister of Finance as required by P.D. 1931 is, a superfluity. An examination of the said resolutions x x x show that the said officials signed said resolutions in the dual capacity of Chairman of FIRB and Minister of Finance.

Mr. Justice Sarmiento also makes reference to the case *National Power Corporation vs. Province of Albay*, wherein the Court observed that under P.D. No. 776 the power of the FIRB was only recommendatory and requires the approval of the President to be valid. Thus, in said case the Court held that FIRB Resolutions Nos. 10-85 and 1-86 not having been approved by the President were not valid and effective while the validity of FIRB (Resolution No.) 17-87 was upheld as it was duly approved by the Office of the President on October 5, 1987.

However, under Section 2 of P.D. No. 1931 of June 11, 1984, hereinabove reproduced, which amended P.D. No. 776, it is clearly provided for that such FIRB resolution, may be approved by the 'President of the Philippines and/or the Minister of Finance.' To repeat, as FIRB Resolutions Nos. 10-85 and 1-86 were duly approved by the Minister of Finance, hence they are valid and effective. To this extent, this decision modifies or supersedes the Court's earlier decision in Albay afore-referred to." (underscoring supplied)

There can thus be no question that petitioner's tax exemptions withdrawn by P.D. 1931 were validly restored by FIRB Resolutions Nos. 10-85 and 1-86. Again withdrawn by EO 93, they were once more restored by FIRB Resolution No. 17-87, effective as of March 10, 1987. Moreover, this Court, in the same case of *Maceda vs. Macaraig, Jr.*, reaffirmed the determination in Albay that EO 93 along with PDs 776 and 1931 were all valid, and that FIRB Resolution No. 17-87 and the tax exemptions restored thereunder were "valid and effective." [15] The

Court in Maceda also held --

"True it is that the then Secretary of Justice in Opinion No. 77, dated August 6, 1977 was of the view that the powers conferred upon the FIRB by Sections 2(a), (b), (c) and (d) of Executive Order No. 93 constitute undue delegation of legislative power and is therefore unconstitutional. However, he was overruled by the respondent Executive Secretary in a letter to the Secretary of Finance dated March 30, 1989. The Executive Secretary, by authority of the President, has the power to modify, alter or reverse the construction of a statute given by a department secretary."

and laid emphasis on the fact that EO 93 constituted a valid delegation of legislative power to the FIRB, thus:[16]

"The latest in our jurisprudence indicates that delegation of legislative power has become the rule and its non-delegation the exception. The reason is the increasing complexity of modern life and many technical fields of governmental functions as in matters pertaining to tax exemptions. This is coupled by the growing inability of the legislature to cope directly with the many problems demanding its attention. The growth of society has ramified its activities and created peculiar and sophisticated problems that the legislature cannot be expected reasonably to comprehend. Specialization even in legislation has become necessary. To many of the problems attendant upon present day undertakings, the legislature may not have the competence, let alone the interest and the time, to provide the required direct and efficacious, not to say specific solutions."

The inescapable conclusion is that the tax exemption privileges of petitioner had been validly restored and preserved by said FIRB resolutions.

In passing, since we have delved into Maceda (which happens to involve indirect taxes), we also make mention of the fact that one of the key issues raised in the dissenting opinions (in Maceda) was the fact that the ultimate beneficiaries of that ponencia's affirmance of the tax-exempt status of the National Power Corporation would have been the oil companies, to which the NPC would assign whatever tax refund or credit it became entitled to as a result of such ponencia, and not the NPC itself, nor the government or the public. In fact, it was even anticipated by Mr. Justice Sarmiento in his dissent that the majority ruling in Maceda would set a precedent not only for the oil companies but also for the NPC's other suppliers, importers and contractors. In contrast, the instant case involves direct taxes -- real property taxes -- and any tax exemption with respect thereto will obviously not be transmissible nor beneficial to any other entity but only to petitioner NPC and, rightfully, the electricity-consuming public.

Respondent further contend that PD 1177, which was issued for the formulation and implementation of a national budget, repealed the tax exemption privilege granted the petitioner under RA 6395, by virtue of the PD's general repealing clause, worded as follows:[17]

"(A)ll laws, decrees, executive orders, rules and regulations or parts thereof which are inconsistent with the provisions of the Decree are hereby repealed and/or modified accordingly."

This argument is likewise bereft of merit. It will be noted from the foregoing chronological presentation that Section 10 of PD 938 amended Section 13 of RA 6395, the petitioner's charter, by converting the various tax exemptions therein into a general exemption from all forms of taxes, direct and indirect. This state of exemption from taxes subsisted even with the enactment of PD 1931 in 1984. It cannot then be successfully argued that petitioner's tax-exempt status was revoked in 1977 by PD 1177. Besides, this Court has consistently held that "(r)epeals by implication are not favored, and will not be decreed, unless it is manifest that the legislature so intended. As laws are presumed to be passed with deliberation and with full knowledge of all existing ones on the subject, it is but reasonable to conclude that in passing a statute it was not intended to interfere with or abrogate any former law relating to same matter, unless the repugnancy between the two is not only irreconcilable, but also clear and convincing, and flowing necessarily from the language used, unless the later act fully embraces the

subject matter of the earlier, or unless the reason for the earlier act is beyond peradventure removed. Hence, every effort must be used to make all acts stand and if, by any reasonable construction, they can be reconciled, the later act will not operate as a repeal of the earlier." [18]

Main Issue: Subject Properties Exempt From Realty Taxes

Aside from the FIRB Resolutions above discussed, there is yet another cogent reason why the properties in question are not subject to realty tax. Section 40(a) of the Real Property Tax Code, PD 464, as amended, expressly exempts them from such tax. Said section provides:

"Exemptions from Real Property Tax. -- The exemption shall be as follows:

(a) Real property owned by the Republic of the Philippines or any of its political subdivisions and any government-owned corporation so exempt by its charter. Provided, however, that this exemption shall not apply to real property of the abovenamed entities the beneficial use of which has been granted, for consideration or otherwise, to a taxable person.

x x x x x x x x."

The exemption is not only legally defensible, but also logically unassailable. The properties in question comprise the site of the entire Agus II Hydroelectric Power Plant Complex, which generates and supplies relatively cheap electricity to the island of Mindanao. These are government properties, wholly owned by petitioner and devoted directly and solely for public service and utilized in the implementation of the state policy of bringing about the total electrification of the country at the least cost to the public, through the development of power from all sources to meet the needs of industrial development and rural electrification. It can be noted, from RA 6395, PD 380 and PD 938, that petitioner's non-profit character has been maintained throughout its existence, and that petitioner is mandated to devote all its returns from capital investment and excess revenues from operations to its expansion. [19] On account thereof, and to enable petitioner to pay its indebtedness and obligations and in furtherance of the state policy on electrification and power generation, petitioner has always been exempted from taxes.

Consequently, the assessment and levy on (as well as the sale of) the properties of petitioner by respondents were null and void for having been made in violation of Section 10 of P.D. 938 and Section 40 (a) of the Real Property Tax Code.

At this juncture, we hasten to point out that the foregoing ruling is solely with respect to the purported realty tax liabilities of petitioner for the period from June 14, 1984 to December 31, 1989. We shall not, in this Decision, rule upon the effect (if any) of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, upon petitioner's tax-exempt status; we merely make mention of the fact that the exemption claimed by petitioner is partly based on PD 464 which, though repealed by the Local Government Code in its paragraph (c), Section 534, Title Four of Book IV, [20] was still good law during the period the exemption was being claimed in the instant case. [21]

Nullity of the Auction Sale of Petitioner's Properties

Inasmuch as the realty tax assessment levied against and auction sale of petitioner's properties had been premised on respondents' erroneous belief that FIRB Resolutions Nos. 10-85, 1-86 and 17-87 are void, the judicial declaration of the validity of said resolution ipso jure renders such assessment and sale void.

The assessment of realty tax being void, petitioner never became delinquent in the payment of said taxes to respondent province, and the latter never acquired any right to sell nor to purchase the said properties at auction. In short, there were never any taxes, delinquent or otherwise, to satisfy. This is borne out by Section 65 of the

Real Property Tax Code, by virtue of which respondent provincial Treasurer was authorized to sell real property at auction:

"Sec. 65. Notice of delinquency in the payment of the real property tax. -- upon the real property tax or any installment thereof becoming delinquent, the provincial or city treasurer shall immediately cause notice of the fact to be posted x x x.

Such notice shall specify the date upon which the tax became delinquent, and shall state x x x that unless the tax and penalties be paid before the expiration of the year for which the tax is due, or the tax shall have been judicially set aside, the entire delinquent real property will be sold at public auction, and that thereafter the full title to the property will be and remain with the purchaser, subject only to the right of the delinquent taxpayer or any other person in his behalf to redeem the sold property within one year from the date of sale."

As clearly spelled out above, the power to sell at public auction is premised on the real property tax or any portion thereof first becoming delinquent. The properties in this case being exempt from payment of realty taxes, no such delinquency was possible to begin with.

Further, Section 73 of the Real Property Tax Code, as amended, excludes properties of the petitioner from advertisement of real properties to be sold at public auction. Section 73 provides in part:

"Sec. 73. Advertisement of sale of real property at public auction. -- After the expiration of the year for which the tax is due, the province or city treasurer shall advertise the sale at public auction of the entire delinquent real property, except real property mentioned in subsection (a) of Section forty hereof, to satisfy all the taxes and penalties due and the costs of sale. x x x"

The fact that the telegraphic temporary restraining order issued by this Court was received by the respondent governor of Lanao del Sur at 2:30 p.m. and by respondent provincial treasurer at 3:00 p.m.[22] of January 22, 1991, or an hour and an hour and a half, respectively, after the registration of the sale with the Register of Deeds of the province, and several hours after the close of the auction sale, is of no moment. Ordinarily, this Court would have been overjoyed to hear about said Register of Deeds (or any government functionary for that matter) moving with blinding speed, except that in this case, it is more than patent that such precipitate action was prompted not in the least by respondents' anticipation that this Court was about to act on petitioner's application for a writ of preliminary injunction and/or temporary restraining order. The respondents' all-too-obvious attempt at rendering nugatory and inutile any injunctive relief this Court may grant is useless and brings them only rebuke and condemnation. Clearly, legally and equitably rooted in and proceeding from the foregoing discussion is the ineludible conclusion that the auction sale and registration of subject properties are totally bereft of any legal basis and therefore null and void, and cannot vest title over the said real properties nor over the hydroelectric power plant complex built upon them, in favor of respondent province.

Re: Mr. Justice Davide's Dissent

Mr. Justice Hilario G. Davide, Jr. is suggesting in his Dissenting Opinion that we reexamine *Maceda vs. Macaraig*[23] and revert back to the old doctrine in *National Power Corp. vs. Albay*.[24] Basically, he is reiterating Mr. Justice Sarmiento's own dissent in *Maceda* that Resolutions 10-85 and 1-86 were not valid acts of the FIRB and thus could not confer any tax exemption on NPC. As these arguments were extensively passed upon by this Court and sufficiently rebutted by Mr. Justice Emilio A. Gancayco in his ponencia therein, we shall no longer answer them point by point here.[25]

In any event, Mr. Justice Gancayco's 7-5-2 ponencia was strengthened two years later by what could be termed as "*Maceda - Part II*." This was the Resolution[26] penned by Mr. Justice Rodolfo A. Nocon and concurred in by Chief Justice Narvasa and Justices Feliciano, Bidin, Regalado, Romero, Bellosillo and Melo. Promulgated on

June 8, 1993, it denied the Motion for Reconsideration of petitioner Maceda for lack of merit, and effectively affirmed the earlier Decision promulgated on May 31, 1991. Among the most significant holdings in the said Resolution are the following:

1. A chronological review of the relevant NPC laws, particularly those affecting its tax exemption privileges, will demonstrate that it has been the lawmaker's intention all throughout that the NPC be made completely tax exempt from all forms of taxes -- direct and indirect. Such exemption was deemed necessary to enable it to pay its indebtedness, an indebtedness which mushroomed to P12 billion in total domestic indebtedness and US\$4 billion in total foreign loans as of the time of the issuance of PD 938.
2. It is clear that NPC had been granted tax exemption privileges for both direct and indirect taxes under PD 938.
3. While the NPC lost its duty and tax exemptions as a result of the enactment of PD 1177 on July 30, 1977, the same were effectively restored by the Minister of Finance upon recommendation of the FIRB (via Resolutions Nos. 10-85 and 1-86) pursuant to Sec. 2 of PD 1931 issued on June 11, 1984. FIRB Resolutions Nos. 10-85 and 1-86 were both legally and validly issued by the FIRB pursuant to PD 1931. The FIRB did not create NPC's tax exemption status but merely restored it.
4. Under Amendment No. 6, former President Marcos could issue decrees not only when, for any reason, the Interim Batasang Pambansa failed or was unable to act adequately on any matter which required immediate action, but also when there existed a grave emergency or a threat thereof, such as the economic crisis triggered by the loss of confidence in the Philippine government as a result of the Aquino assassination, which led to the moratorium on and rescheduling of foreign debt payments. NPC, for one, had US\$2.1 billion in foreign debt as a result of the construction of the Bataan Nuclear Power Plant. In the context of the serious debt-rescheduling emergency, Marcos was compelled to issue PD 1931 using his Amendment 6 powers. Clearly then, there was no violation of the rule under the 1973 Constitution that "no law granting a tax exemption shall be passed without the concurrence of a majority of all the members of the Batasang Pambansa", inasmuch as PD 1931 was not passed by the said legislative body but by then President Marcos under his Amendment 6 powers. In brief, then, PD 1931 was validly and properly issued.
5. There is no problem of "violation of due process" when FIRB Resolutions Nos. 10-85 and 1-86 were approved by the Minister of Finance after the same were recommended by him in his capacity as Chairman of FIRB. This was so since NPC was not asking to be granted tax exemption privileges for the first time, but merely to have its previous tax exemptions restored. Thus the same person acting in a dual capacity recommending and approving said tax exemption restorations cannot be deemed to violate procedural due process.
6. When EO 93 (series of 1986) was issued by President Aquino, she was exercising both executive and legislative powers. Thus, there was no power delegated to her; rather, it was she delegating her power to the FIRB, which for purposes of EO 93 is a delegate of the legislature. Indubitably, there was no problem of former President Aquino sub-delegating her power. Moreover, EO 93 as a delegating law was complete in itself and met the standards set in *Pelaez vs. Auditor General* (15 SCRA 569 [1965]).
7. After all has been said and done, it is clear that the NPC had its tax exemption privileges restored from June 11, 1984 up to the present.

"Maceda Part II", as mentioned earlier, was passed by a majority of eight justices. Two justices (JJ. Padilla and Quason) took no part, while J. Cruz maintained his original dissent, and JJ. Griño-Aquino and Davide, Jr. joined J. Sarmiento in his original dissent. That makes eight in favor, four against, with two abstaining. This is certainly stronger than the seven-five-two vote in the original Maceda decision. Undoubtedly, the said Decision, as affirmed by the aforementioned Resolution, can no longer be considered to "carry no persuasive weight".

Epilogue

Quite apart from resolving the legal merits of this case, this Court wishes to emphasize -- as a matter of judicial policy -- the necessity of upholding the authoritativeness and stability of its pronouncements. While in *Albay*, we ruled the subject FIRB Resolutions to be null and void, we reversed ourselves in *Maceda I* and fortified such reversal through *Maceda II*. While we are not necessarily averse to arguments against, or even criticisms of, our pronouncements, we deem it more important to stress that the decisions of this Court are reached after due deliberation upon and consideration of all relevant issues. Thus it would be apropos to quote Mr. Justice Douglas of the United States Supreme Court:

"But beyond that is the problem of stare decisis. The construction given Section 20 (of the Criminal Code) in the *Classic Case* (supra note 128, No. 11) formulated a rule of law which has become the basis of federal enforcement in this important field. The rule adopted in that case was formulated after mature consideration. It should be good for more than one day only. We do not have a situation here comparable to *Mahnich vs. Southern S. S. Co.*, 321 U.S., 96; 88 Law. ed., 561; 64 Sup. Ct., 455 (1944) (supra note 123, No. 19) where we overruled a decision demonstrated to be a sport in the law and inconsistent with what preceded and what followed. The *Classic case* was not the product of hasty action or inadvertence. We add only to the instability and uncertainty of the law if we revise the meaning of Section 20 to meet the exigencies of each case coming before us.' (*Screws vs. United States*, 325 U.S., 112.)"[27]

Consistent with the above, we frowned upon needless flipflops in *Cabagnet vs. Comelec*,[28] where we chided the public respondent, thus:

"x x x We take this occasion to remind the Commission to be more judicious in its actions and decisions and avoid imprudent volte face moves that the undermine the public's faith and confidence in it."

A denial of the tax-exempt status of NPC, as sought by respondents, would not only be legally untenable and subversive of doctrinal stability but would also lead to disastrous practical consequences. It should be noted that in this case, respondent province has already auctioned off, purchased and caused to be registered in its name the subject real properties of petitioner on which the Agus II Hydroelectric Power Plant Complex is built. Thus, should the FIRB resolutions be deemed void, then the ownership of the auctioned properties including the hydro-electric plant would be legally vested in respondent province. Additionally, other local government entities might even be induced to covet and grab other properties of the NPC in the guise of collecting local taxes. The far-reaching consequence of such eventuality would not be difficult to imagine. Definitely, it would seriously impair the capacity of the National Power Corporation to fulfill its statutory mandate to carry out the "total electrification of the Philippines through the development of power from all sources to meet the needs of industrial development and rural electrification."

In the end, the Supreme Court has the constitutional duty not only of interpreting and applying the law in accordance with prior doctrines but also of protecting society from the improvidence and wantonness wrought by needless upheavals in such interpretations and applications. *Interest rei publicae ut finis sit litium*. [29]

WHEREFORE, the petition is hereby GRANTED. Judgment is hereby rendered:

- a) ENJOINING respondents and their agents from selling and disposing of the subject properties of petitioner;
- b) DECLARING the auction sale conducted on January 22, 1991 and the registration of the same as NULL AND VOID;
- c) ORDERING the Register of Deeds of Lanao del Sur to CANCEL the registration of the auction sale in favor of respondent province; and

d) HOLDING that said properties including the hydroelectric power plant complex thereat remain in petitioner's ownership and control as if the assessment and auction sale never took place.

SO ORDERED.

Narvasa, C.J., Romero, Bellosillo, Melo, Puno, Kapunan, Francisco, Hermosisima, Jr., and Torres, Jr., JJ., concur. Padilla, and Vitug, JJ., joins Justice Davide in his dissent. Regalado, and Mendoza, JJ., in the result. Davide, Jr., J., please see Dissenting Opinion.

[1] Rollo, p. 51.

[2] Rollo, p. 61.

[3] Rollo, p. 62.

[4] Rollo, pp. 15, 16 and 59(a).

[5] Rollo, p. 31.

[6] Rollo, pp. 192-193.

[7] Rollo, p. 194.

[8] Section 1, Commonwealth Act No. 120 (1936).

[9] Rollo, p. 17. Signed by Alfredo Pio de Roda, Jr. in his concurrent capacities as Acting Minister of Finance and Acting Chairman, FIRB.

[10] Rollo, p. 18; undated; signed by Cesar E.A. Virata in his concurrent capacities as Minister of Finance and Chairman, FIRB.

[11] Rollo, p. 19. Signed by Alfredo Pio de Roda, Jr. in his concurrent capacities as Acting Secretary of Finance and Chairman, FIRB.

[12] 186 SCRA 198, June 4, 1990.

[13] National Power Corporation vs. Province of Albay, *supra*, at p. 203.

[14] 197 SCRA 771, 793-794, May 31, 1991.

[15] *Ibid.*, p. 806.

[16] *Ibid.*, pp. 809-810, citing Justice Isagani A. Cruz, *Philippine Political Law*, 1989 ed., pp. 82-83.

[17] Respondents' Memorandum, pp. 7-9; rollo, pp. 197-199.

[18] *United States vs. Palacio*, 33 Phil. 208, 216, January 17, 1916, citing *inter alia* 23 Am. and Eng. Ency. of Law, p. 489. See also *Ty vs. Trampe*, 250 SCRA 500, December 1, 1995.

[19] Section 13, PD 6395; Section 10, PD 380; and Section 10, PD 938.

[20] "Sec. 534. Repealing Clause. x x x

(c) The provisions of Sections 2, 3, and 4 of Republic Act No. 1939 regarding hospital fund; Section 3, a (3) and b (2) of Republic Act No. 5447 regarding the Special Education Fund; Presidential Decree No. 144 as amended by

Presidential Decree Nos. 559 and 1741; Presidential Decree No. 231 as amended; Presidential Decree No. 436 as amended by Presidential Decree No. 558; and Presidential Decree Nos. 381, 436, 464, 477, 526, 632, 752, and 1136 are hereby repealed and rendered of no force and effect." (Underscoring supplied).

[21] The Local Government Code took effect on January 1, 1992.

[22] Rollo, pp. 129-130.

[23] Supra, see footnote 14.

[24] Supra, see footnote 12.

[25] In fact, they have been delved into in the earlier discussion of the main issues.

[26] 223 SCRA 217, June 8, 1993.

[27] Cited by Mr. Justice (later Chief Justice) Cesar Bengzon in *Santiago and Flores vs. Valenzuela and Pardo*, 78 Phil. 397, 411, April 30, 1947. See also *J.M. Tuason & Co., Inc. vs. Mariano*, 85 SCRA 644, 647, October 23, 1978, citing *Varsity Hills, Inc. vs. Navarro*, 43 SCRA 503, February 29, 1972.

[28] G.R. No. 124383, August 9, 1996.

[29] The interest of the State demands that there be an end to litigation. -- *Henson vs. Director of Lands*, 37 Phil. 912, 917, March 26, 1918.

DISSENTING OPINION

DAVIDE, JR., J.:

I regret I cannot join in the majority opinion. The lapse of more than five (5) years since *Maceda vs. Macaraig* (197 SCRA 771 [1991]), where I unqualifiedly joined Mr. Justice Abraham Sarmiento in his dissent, has not convinced me that FIRB Resolutions Nos. 10-85 and No. 1-86 validly restored the withdrawn tax exemption privileges of the National Power Corporation (NPC). I also submit that FIRB Resolution No. 17-87 did not validly restore the tax exemption privileges of the NPC which were withdrawn by Executive Order No. 93.

A reexamination of *Maceda vs. Macaraig* is hereby respectfully suggested. It may be stated that the decision in *National Power Corp. vs. Albay* (186 SCRA 198 [1990]) declaring void FIRB Resolutions Nos. 10-85 and 1-86 was by an overwhelming vote of eleven, (Sarmiento, J., ponente, with the concurrence of Fernan, C.J., Narvasa (now C.J.) Melencio-Herrera, Gutierrez, Cruz, Paras, Padilla, Bidin, Cortes, Medialdea, and Feliciano, JJ., with the latter only in the result) without any dissent (although Gancayco and Griño-Aquino, JJ., were on leave, and Regalado, J., took no part). Upon the other hand, the Court was sharply divided in *Maceda vs. Macaraig*. Seven (Gancayco, J., ponente, with Narvasa (now C.J.), Melencio-Herrera, Feliciano, Bidin, Medialdea, and Regalado, JJ., concurring) voted to sustain the validity of the resolutions. Five (Gutierrez, Cruz, Paras, Sarmiento, and Davide, Jr., JJ.) dissented. Two of those who concurred with Justice Sarmiento in *National Power Corporation vs. Albay* (Fernan, C.J., and Padilla, J.) took no part for the reasons stated therein. Thus, the latter case carries no persuasive weight.

I

In his dissent in *Maceda*, Mr. Justice Sarmiento held the view that FIRB Resolutions Nos. 10-85 and 1086 are null and void because they were not valid acts of the FIRB, considering that the former was signed only by Alfredo Pio de Roda, Jr., in his concurrent capacities as Acting Minister (Secretary) of Finance and Acting Chairman of

the FIRB, while the latter was signed only by Cesar E.A. Virata in his concurrent capacities as Minister (Secretary) of Finance and Chairman of the FIRB. An amplification thereon is in order.

Section 2 of P.D. No. 776 provides for the creation, composition, and functions of the FIRB, thus:

SECTION 2. A Fiscal Incentives Review Board is hereby created for the purpose of determining what subsidies and tax exemptions should be modified, withdrawn, revoked or suspended, which shall be composed of the following officials:

Chairman - Secretary of Finance

Members - Secretary of Industry

Director of the National Economic
and Development Authority

Commissioner of Internal Revenue

Commissioner of Customs

The Board may recommend to the President of the Philippines and for reasons of compatibility with the declared economic policy, the withdrawal, modification, revocation or suspension of the enforceability of any of the above-cited statutory subsidies or tax exemption grants, except those granted by the Constitution. To attain its objectives, the Board may require the assistance of any appropriate government agency or entity. The Board shall meet once a month, or oftener at the call of the Secretary of Finance.

Section 1 thereof grants the FIRB the power to modify any and all tax exemption benefits and privileges except those enumerated therein. It reads:

SECTION 1. Any and all tax exemption benefits and privileges validly acquired, exercised and granted to individuals, associations, corporations and entities, and all laws, decrees, orders or ordinances giving rise thereto, may now be modified by the Fiscal Incentives Review Board except those embraced and expressly provided hereunder, to wit:

1. Constitutional provisions
2. International comity or treaty
3. National Internal Revenue Code as of its amendment by PD
4. Tariff and Customs Code as of its amendment by PD 426
5. Local Tax Code as of its amendment by PD 426
6. Statutory prescriptions bearing on --
 - a. Export Processing Zone Authority
 - b. BOI Registered industries
 - c. Multi-national corporations
 - d. Service contracts on oil explorations

From these provisions, it is obvious that the FIRB must act as a board in the exercise of its powers or in the performance of its functions. The board, which is composed of five members, with the Secretary of Finance as the Chairman, can validly transact business only at a meeting attended by the required quorum (which is presumed to be the majority of the members, i.e., three), and a vote of the majority of those constituting the quorum would be necessary for the validity of any and all board acts or resolutions. Also, since the chairmanship of the FIRB is vested in a specific person - the Secretary of Finance - and the decree provides for no alternate for him. i.e., any one acting as such, then no one else other than the duly appointed Secretary of Finance can sit and act as Chairman of the FIRB. Clearly, Resolution No. 10-85 is null and void for having been signed only by Alfredo Pio de Roda, Jr., in his concurrent capacities as merely Acting Minister (Secretary) of Finance and Acting Chairman

of the FIRB, and not by the board itself. Resolution No. 1-86 attained no better status, considering that it is not a board resolution, although signed by the duly appointed Minister (Secretary) of Finance. Neither Mr. De Roda nor Mr. Virata could pretend, even if seriously, to be the FIRB.

Resolutions Nos. 10-85 and 1-86 were presumably enacted pursuant to FIRB's authority under Section 2 of P.D. No. 1931, which provides:

SEC. 2. The President of the Philippines and/or the Minister of Finance, upon recommendation of the Fiscal Incentives Review Board created under Presidential Decree No. 776, is hereby empowered to restore, partially or totally, the exemptions withdrawn by Section 1 above, or otherwise revise the scope of coverage of any applicable tax and duty

Any restoration of the tax exemption privileges would, in effect, be a new grant of the privilege, since the earlier withdrawal thereof was by virtue of a complete law of withdrawal and not merely by one suspending the effects of the prior exemption.

The authority granted to the President in Section 2 of P.D. No. 1931 to restore the tax exemption privilege is unnecessary or a surplusage. At the time P.D. No. 1931 was enacted, then President Marcos could exercise legislative power under the unlamented Amendment No. 6 of the 1973 Constitution. Paragraph 4 of Section 17, Article VIII of said Constitution provided as follows:

(4) No law granting any tax exemption shall be passed without the concurrence of a majority of all the Members of the Batasang Pambansa.

Because then President Marcos exercised legislative power, he could, as he did several times, act as the Batasang Pambansa and grant anew tax exemptions.

However, the grant to the Minister (Secretary) of Finance of the authority or power to restore tax exemption under the same Section 2 of P.D. 1931 is an invalid delegation of a legislative power. I agree, in this connection, with the thesis of Mr. Justice Cruz in his dissent in *Maceda vs. Macaraig*.

The aforequoted paragraph 4 of Section 17, Article VIII of the 1973 Constitution, reproduced in paragraph 4 of Section 28 of Article VI of the present Constitution, leaves no room for doubt that it is mandatory in character. It requires an absolute majority of ALL the Members of the Batasang Pambansa to grant tax exemption. The power to grant tax exemption, being merely corollary to the legislature's inherent power to tax, cannot be delegated except to those to whom the power to tax has been granted or delegated. It is said:

The power to exempt may be delegated by the legislature to the same extent it may itself exercise the power to exempt. Thus, the legislature, where the Constitution does not forbid, has authority to delegate to municipalities the power to exempt property from taxation to the same extent the legislature has power to exempt (COOLEY, *The Law on Taxation*, vol. II [1924], Section 669, p. 1398).

Under Section 5, Article XI of the 1973 Constitution, only local government units were granted the power to create their own sources of revenue and to levy taxes, but subject to such limitations as may be provided by law. Section 5, Article X of the present Constitution strengthens further the power of local government units to tax by mandating that the guidelines and limitations which Congress may impose must be consistent with the basic policy of local autonomy and that the taxes, fees, and charges levied by the local government units shall accrue exclusively to them. Section 192 of the Local Government Code of 1991 specifically empowers local government units to grant, through ordinances duly approved, tax exemptions, incentives, or reliefs under such terms and conditions as they may deem necessary. It has thus been said that

The power of taxation is inherent in the State. Primarily vested in the national legislature, it may now also be exercised by the local legislative bodies, no longer by virtue of a valid delegation as before but pursuant to a direct authority conferred by Article X, Section 5, of the Constitution" (CRUZ, Isagani, A., Constitutional Law [1991], 84).

No one dares argue that the Minister (Secretary) of Finance was ever constituted as a local government unit or given the powers, prestige, and ascendancy of a local government unit to be able to exercise the power to tax or the corollary power to grant tax exemptions.

II

I shall now turn to FIRB No. 17-87, which purports to restore the tax exemption privileges of NPC that were withdrawn by Executive Order No. 93 of President Corazon C. Aquino dated 17 December 1986. The said withdrawal took effect on 10 March 1987. FIRB Resolution No. 17-87 was issued on 24 June 1987 under FIRB's authority conferred by Section 2 of EO No. 93, which pertinently provides as follows:

SEC. 2. The Fiscal Incentives Review Board created under Presidential Decree No. 776, as amended, is hereby authorized to:

(a) Restore tax and/or duty exemptions withdrawn hereunder in whole or in part;

x x x

Then Secretary Macaraig approved on 5 October 1987 FIRB Resolution No. 17-87.

Under EO No. 93 the FIRB cannot, by itself, restore tax exemptions. Section 2 thereof should be read together with the preceding Section 1(f), which reads:

SECTION 1. The provisions of any general or special law to the contrary notwithstanding, all tax and duty incentives granted to government and private entities are hereby withdrawn, except:

x x x

(f) those approved by the President upon the recommendation of the Fiscal Incentives Review Board.

The last paragraph of Section 2 of P.D. No. 776 earlier quoted should also be considered. Taken together, the FIRB can only recommend. It was precisely for this reason that FIRB Res. No. 17-87 was confirmed and approved by the President through Acting Executive Secretary Macaraig. Without the approval, FIRB Res. No. 17-87 would be absolutely ineffective. It is the Presidential approval which could give life then to the Resolution as a restoration of tax exemption privilege or, more correctly, as a new grant of tax exemptions.

But, was the Presidential approval valid?

I respectfully submit that it was not. At the time FIRB Res. No. 17-87 was approved, the first Congress under the 1987 Constitution was already convened and in session. It was convened on the fourth Monday of July 1987 (Sec. 15, Article VI, Constitution) following the first election under the constitution of the Members of Congress (Sec. 1, Article XVIII). Only Congress then could have validly restored tax exemption privileges pursuant to Section 28 (4), Article VI of the Constitution. It would have been entirely different if the Presidential approval of FIRB Res. No. 17-87 was made before the convening of the first Congress, because, by then, President Aquino could still exercise legislative powers pursuant to Section 6 Article XVIII of the Constitution, which provides:

SEC. 6. The incumbent President shall continue to exercise legislative powers until the first Congress convened.

III

Resort to Section 40(a) of Real Property Tax Code (P.D. No. 464), another ground relied upon in the ponencia why the properties in question are not subject to real property tax, provides no relief to petitioner. The tax exemption privilege granted by the said Code was among those withdrawn by P.D. No. 1931. Section 1 of the latter expressly provides:

The provisions of special or general law to the contrary notwithstanding, all exemptions from the payment of duties, taxes, fees, imposts and other charges heretofore granted in favor of government-owned or controlled corporations including their subsidiaries, are hereby withdrawn.

Its repealing clause, paragraph 5, provides as follows:

The provisions of President Decree No. 1177 as well as all other laws, decrees, executive orders, administrative orders, rules, regulations or parts thereof which are inconsistent with this Decree are hereby repealed, amended or modified accordingly.

I vote then to DENY the instant petition.

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.