

**[ REPUBLIC ACT NO. 9282, March 30, 2004 ]**

**AN ACT EXPANDING THE JURISDICTION OF THE COURT OF TAX APPEALS (CTA), ELEVATING ITS RANK TO THE LEVEL OF A COLLEGIATE COURT WITH SPECIAL JURISDICTION AND ENLARGING ITS MEMBERSHIP, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF REPUBLIC ACT NO. 1125, AS AMENDED, OTHERWISE KNOWN AS THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. Section 1 of Republic Act No. 1125, as amended, is hereby further amended to read as follows:

"SECTION 1. *Court; Justices; Qualifications; Salary; Tenure.* - There is hereby created a Court of Tax Appeals (CTA) which shall be of the same level as the Court of Appeals, possessing all the inherent powers of a Court of Justice, and shall consist of a Presiding Justice and five (5) Associate Justices. The incumbent Presiding Judge and Associate Judges shall continue in office and bear the new titles of Presiding Justice and Associate Justices. The Presiding Justice and the most Senior Associate Justice shall serve as chairmen of the two (2) Divisions. The additional three (3) Justices and succeeding members of the Court shall be appointed by the President upon nomination by the Judicial and Bar Council. The Presiding Justice shall be so designated in his appointment, and the Associate Justices shall have precedence according to the date of their respective appointments, or when the appointments of two (2) or more of them shall bear the same date, according to the order in which their appointments were issued by the President. They shall have the same qualifications, rank, category, salary, emoluments and other privileges, be subject to the same inhibitions and disqualifications, and enjoy the same retirement and other benefits as those provided for under existing laws for the Presiding Justice and Associate Justices of the Court of Appeals.

"Whenever the salaries of the Presiding Justice and the Associate Justices of the Court of Appeals are increased, such increases in salaries shall be deemed correspondingly extended to and enjoyed by the Presiding Justice and Associate Justices of the CTA.

"The Presiding Justice and Associate Justices shall hold office during good behavior, until they reach the age of seventy (70), or become incapacitated to discharge the duties of their office, unless sooner

removed for the same causes and in the same manner provided by law for members of the judiciary of equivalent rank."

SEC. 2. Section 2 of the same Act is hereby amended to read as follows:

"SEC. 2. *Sitting En Banc or Division; Quorum; Proceedings.* - The CTA may sit *en banc* or in two (2) Divisions, each Division consisting of three (3) Justices.

"Four (4) Justices shall constitute a quorum for sessions *en banc* and two (2) Justices for sessions of a Division: *Provided*, That when the required quorum cannot be constituted due to any vacancy, disqualification, inhibition, disability, or any other lawful cause, the Presiding Justice shall designate any Justice of other Divisions of the Court to sit temporarily therein.

"The affirmative votes of four (4) members of the Court *en banc* or two (2) members of a Division, as the case may be, shall be necessary for the rendition of a decision or resolution."

SEC. 3. Section 3 of the same Act is hereby amended to read as follows:

"SEC. 3. *Clerk of Court; Division Clerks of Court; Appointment; Qualification; Compensation.* - The CTA shall have a Clerk of Court and three (3) Division Clerks of Court who shall be appointed by the Supreme Court. No person shall be appointed Clerk of Court or Division Clerk of Court unless he is duly authorized to practice law in the Philippines. The Clerk of Court and Division Clerks of Court shall exercise the same powers and perform the same duties in regard to all matters within the Court's jurisdiction, as are exercised and performed by the Clerk of Court and Division Clerks of Court of the Court of Appeals, in so far as the same may be applicable or analogous; and in the exercise of those powers and the performance of those duties they shall be under the direction of the Court. The Clerk of Court and the Division Clerks of Court shall have the same rank, privileges, salary, emoluments, retirement and other benefits as those provided for the Clerk of Court and Division Clerks of Court of the Court of Appeals, respectively."

SEC. 4. Section 4 of the same Act is hereby amended to read as follows:

"SEC. 4. *Other Subordinate Employees.* - The Supreme Court shall appoint all officials and employees of the CTA, in accordance with the Civil Service Law. The Supreme Court shall fix their salaries and prescribe their duties."

SEC. 5. Section 5 of the same Act is hereby amended to read as follows:

"SEC. 5. *Disqualifications.* - No Justice or other officer or employee of the CTA shall intervene, directly or indirectly, in the management or control of any private enterprise which in any way may be affected by the functions of the Court. Justices of the Court shall be disqualified from sitting in any case on the same grounds provided under Rule one hundred thirty-seven of the Rules of Court for the disqualification of judicial officers. No person who has once served in the Court in a

permanent capacity, either as Presiding Justice or as Associate Justice thereof, shall be qualified to practice as counsel before the Court for a period of one (1) year from his retirement or resignation."

SEC. 6. Section 6 of the same Act is hereby amended to read as follows:

"SEC. 6. *Place of Office.* - The CTA shall have its principal office in Metro Manila and shall hold hearings at such time and place as it may, by order in writing, designate."

SEC. 7. Section 7 of the same Act is hereby amended to read as follows:

"SEC. 7. *Jurisdiction.* - The CTA shall exercise:

a. Exclusive appellate jurisdiction to review by appeal, as herein provided:

1. Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue or other laws administered by the Bureau of Internal Revenue;
2. Inaction by the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relations thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, where the National Internal Revenue Code provides a specific period of action, in which case the inaction shall be deemed a denial;
3. Decisions, orders or resolutions of the Regional Trial Courts in local tax cases originally decided or resolved by them in the exercise of their original or appellate jurisdiction;
4. Decisions of the Commissioner of Customs in cases involving liability for customs duties, fees or other money charges, seizure, detention or release of property affected, fines, forfeitures or other penalties in relation thereto, or other matters arising under the Customs Law or other laws administered by the Bureau of Customs;
5. Decisions of the Central Board of Assessment Appeals in the exercise of its appellate jurisdiction over cases involving the assessment and taxation of real property originally decided by the provincial or city board of assessment appeals;
6. Decisions of the Secretary of Finance on customs cases elevated to him automatically for review from decisions of the Commissioner of Customs which are adverse to the Government under Section 2315 of the Tariff and Customs Code;
7. Decisions of the Secretary of Trade and Industry, in the case of non-agricultural product, commodity or article, and the Secretary of Agriculture in the case of agricultural product, commodity or article, involving dumping and counter ailing duties under Section 301 and 302, respectively, of the Tariff

and Customs Code, and safeguard measures under Republic Act No. 8800, where either party may appeal the decision to impose or not to impose said duties.

b. Jurisdiction over cases involving criminal offenses as herein provided:

1. Exclusive original jurisdiction over all criminal offenses arising from violations of the National Internal Revenue Code or Tariff and Customs Code and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs: Provided, however, That offenses or felonies mentioned in this paragraph where the principal amount of taxes and fees, exclusive of charges and penalties, claimed is less than One million pesos (P1,000,000.00) or where there is no specified amount claimed shall be tried by the regular Courts and the jurisdiction of the CTA shall be appellate. Any provision of law or the Rules of Court to the contrary notwithstanding, the criminal action and the corresponding civil action for the recovery of civil liability for taxes and penalties shall at all times be simultaneously instituted with, and jointly determined in the same proceeding by the CTA, the filing of the criminal action being deemed to necessarily carry with it the filing of the civil action, and no right to reserve the filing of such civil action separately from the criminal action will be recognized.

2. Exclusive appellate jurisdiction in criminal offenses:

- a. Over appeals from the judgments, resolutions or orders of the Regional Trial Courts in tax cases originally decided by them, in their respected territorial jurisdiction.

- b. Over petitions for review of the judgments, resolutions or orders of the Regional Trial Courts in the exercise of their appellate jurisdiction over tax cases originally decided by the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts in their respective jurisdiction.

- c. Jurisdiction over tax collection cases as herein provided:

1. Exclusive original jurisdiction in tax collection cases involving final and executory assessments for taxes, fees, charges and penalties: Provided, however, That collection cases where the principal amount of taxes and fees, exclusive of charges and penalties, claimed is less than One million pesos (P1,000,000.00) shall be tried by the proper Municipal Trial Court, Metropolitan Trial Court and Regional Trial Court.

2. Exclusive appellate jurisdiction in tax collection cases: