

THIRD DIVISION

[G.R. No. 190324, June 06, 2018]

PHILIPPINE PORTS AUTHORITY, PETITIONER, V. THE CITY OF DAVAO, SANGGUNIAN PANGLUNGSOD NG DAVAO CITY, CITY MAYOR OF DAVAO CITY, CITY TREASURER OF DAVAO CITY, CITY ASSESSOR OF DAVAO CITY, AND CENTRAL BOARD OF ASSESSMENT APPEALS (CBAA), RESPONDENTS.

D E C I S I O N

LEONEN, J.:

When a tax case is pending on appeal with the Court of Tax Appeals, the Court of Tax Appeals has the exclusive jurisdiction to enjoin the levy of taxes and the auction of a taxpayer's properties in relation to that case.

This is a Petition for Review on Certiorari,^[1] assailing the Court of Appeals December 15, 2008 Decision^[2] and September 11, 2009 Resolution^[3] in CA-G.R. SP No. 00735-MIN, dismissing the Philippine Ports Authority's Petition for Prohibition.

The Philippine Ports Authority was created under Presidential Decree No. 857, as amended. It was mandated "to implement an integral program for the planning, development, financing, and operation of ports in the Philippines" and was "empowered to administer properties of any kind under its jurisdiction."^[4]

On June 17, 2004, the Philippine Ports Authority received a letter from the City Assessor of Davao for the assessment and collection of real property taxes against its administered properties located at Sasa Port. It appealed the assessment via registered mail to the Local Board of Assessment Appeals through the Office of the City Treasurer of Davao on August 2, 2004. The Office of the City Treasurer of Davao received the appeal on August 11, 2004, and forwarded it to the Chairman of the Local Board of Assessment Appeals, who received it on September 6, 2004. While the case was pending, the City of Davao posted a notice of sale of delinquent real properties,^[5] including the three (3) properties subject of this case, namely, 1) the quay covered by Tax Declaration No. E-04-09-063842; 2) the parcel of land with Tax Declaration No. E-04-09-092572; and 3) the administrative building under Tax Declaration No. E-04-09-090803.^[6]

The Local Board of Assessment Appeals dismissed the Philippine Ports Authority's appeal for having been filed out of time, and for its lack of jurisdiction on the latter's tax exemption in its January 25, 2005 Order.^[7] The Philippine Ports Authority appealed^[8] before the Central Board of Assessment Appeals, but this appeal was denied in the Central Board of Assessment Appeals April 7, 2005 Decision.^[9] Thus, it filed an appeal with the Court of Tax Appeals.^[10]

The Philippine Ports Authority claimed that it did not receive any warrant of levy for the three (3) properties which were sold to respondent City of Davao, or any notice that they were going to be auctioned. It was informed that it had one (1) year from the date of registration of the sale within which to redeem the properties by paying the taxes, penalties, and incidental expenses, plus interest at the rate of 2% per month on the purchase price.^[11]

Thus, it filed a petition for certiorari with the Court of Appeals, arguing that the City of Davao's taxation of its properties and their subsequent auction and sale to satisfy the alleged tax liabilities were without or in excess of its jurisdiction and contrary to law. It argued that it had no other speedy and adequate remedy except to file a petition for certiorari with the Court of Appeals.^[12]

While the petition was pending with the Court of Appeals, the Court of Tax Appeals promulgated a Decision^[13] dated July 30, 2007, granting the Philippine Ports Authority's appeal, resolving in its favor the issue of its liability for the real estate tax of Sasa Port and its buildings. The dispositive portion of this Decision read:

WHEREFORE, premises considered, the present Petition for Review is hereby **GRANTED**. Accordingly, the Decision dated April 7, 2005 of the Central Board of Assessment Appeals in CBAA Case No. M-20 and the Order dated January 25, 2005 of the LBAA in LBAA Case No. 01-04 dismissing the appeal are hereby **SET ASIDE**. We declare the Sasa Port, Davao City and its buildings **EXEMPT** from the real estate tax imposed by Davao City. We declare **VOID** all the real estate tax assessments issued by Davao City on the Sasa Port and its buildings.

SO ORDERED.^[14] (Emphasis in the original)

Additionally, while the petition was pending with the Court of Appeals, the Court of Tax Appeals issued an Entry of Judgment stating that its July 30, 2007 Decision became final and executory on February 13, 2008, considering that no appeal to the Supreme Court had been taken.^[15]

Thereafter, the Court of Appeals dismissed the petition in its December 15, 2008 Decision.^[16] It held that the Court of Tax Appeals had exclusive jurisdiction to determine the matter^[17] and said that the Philippine Ports Authority "should have applied for the issuance of writ of injunction or prohibition before the Court of Tax Appeals."^[18] It further found the petition dismissible on the ground that the Philippine Ports Authority committed forum shopping, as the petition raised the same facts and issues as in its appeal before the Court of Tax Appeals.^[19]

Petitioner filed a motion for reconsideration, which the Court of Appeals denied in its September 11, 2009 Resolution,^[20] which read, in part:

This Court **GRANTS** the Motion For Extension Of Time To tile Comment and **NOTES** the Comment subsequently tiled within the extended period prayed for, and **DENIES** petitioner's Motion for Reconsideration from the Decision dated December 15, 2008, dismissing the petition for prohibition and upholding the authority of the City Government of Davao in taxing, auctioning and selling petitioner's properties to satisfy the latter's real property tax liabilities.

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WHEREFORE, the instant Motion for Reconsideration is hereby **DENIED**.

SO ORDERED.^[21] (Emphasis in the original)

Thus, the Philippine Ports Authority filed its Petition for Review^[22] under Rule 45 of the Rules of Court before this Court against the City of Davao, Sangguniang Panglungsod ng Davao City, City Mayor of Davao City, City Treasurer of Davao City, City Assessor of Davao City, and Central Board of Assessment Appeals (collectively, respondents), assailing the Court of Appeals December 15, 2008 Decision and September 11, 2009 Resolution. Respondents filed their Comment^[23] to which petitioner filed its Reply.^[24]

Petitioner argues that it did not commit forum shopping, asserting that the only element of forum shopping present as between the appeals filed before the Court of Tax Appeals and the Court of Appeals is identity of parties.^[25] Its arguments regarding the jurisdiction of the Court of Appeals are inscrutable but appear to maintain that the Court of Appeals has jurisdiction on the basis of urgency. It also avers that the Court of Appeals erred when it "ruled, declared and upheld the authority" of respondent City of Davao to tax, auction, and sell its properties.^[26] It points out that the Supreme Court has held that as a government instrumentality, its properties cannot be taxed by local government.^[27]

Respondents insist that forum shopping exists, considering that the elements of *litis pendentia* were present when the case was filed with the Court of Appeals.^[28] On the question of the propriety of the imposition of tax on petitioner's properties, respondents claim that there was an error in the Court of Tax Appeals July 30, 2007 Decision. Thus, while they maintain that this case is not the proper case to rectify the error of the Court of Tax Appeals, they ask that this Court lay down a jurisprudential pronouncement on the real property tax treatment of petitioner's properties.^[29]

The issues for resolution by this Court are:

First, whether or not the Court of Appeals had jurisdiction to issue the injunctive relief prayed for by petitioner Philippine Ports Authority; and

Second, whether or not the petition before the Court of Appeals was properly dismissed for forum shopping.

This Court denies the Petition.

I

In real property tax cases such as this, the remedy of a taxpayer depends on the stage in which the local government unit is enforcing its authority to impose real property taxes.^[30] Moreover, as jurisdiction is conferred by law,^[31] reference must be made to the law when determining which court has jurisdiction over a case, in relation to its factual and procedural antecedents.

Petitioner has failed to cite any law supporting its contention that the Court of Appeals has jurisdiction over this case. On the other hand, Section 7, paragraph (a)

(5) of Republic Act No. 1125,^[32] as amended by Republic Act No. 9282,^[33] provides that the Court of Tax Appeals has exclusive appellate jurisdiction over:

Section 7. Jurisdiction. - The CTA shall exercise:

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

. . . .

(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[.]

The Central Board of Assessment Appeals April 7, 2005 Decision assailed by petitioner before the Court of Appeals was rendered in the exercise of its appellate jurisdiction over the real property tax assessment of its properties. Clearly, this falls within the above-cited provision. Indeed, there is no dispute that this Central Board of Assessment Appeals decision constitutes one of the cases covered by the Court of Tax Appeals' exclusive jurisdiction.

Despite the clear wording of the law placing this case within the exclusive appellate jurisdiction of the Court of Tax Appeals, petitioner insists that the Court of Appeals could have issued the relief prayed for despite the provisions of Republic Act No. 9282, considering its urgent need for injunctive relief.^[34]

Petitioner's contention has no legal basis whatsoever and must be rejected. Urgency does not remove the Central Board of Assessment Appeals decision from the exclusive appellate jurisdiction of the Court of Tax Appeals. This is particularly true since, as properly recognized by the Court of Appeals, petitioner could have, and should have, applied for injunctive relief with the Court of Tax Appeals, which has the power to issue the preliminary injunction prayed for.^[35]

In *City of Manila v. Grecia-Cuerdo*,^[36] this Court expressly recognized the Court of Tax Appeals' power to determine whether or not there has been grave abuse of discretion in cases falling within its exclusive appellate jurisdiction and its power to issue writs of certiorari:

On the strength of the above constitutional provisions, it can be fairly interpreted that the power of the CTA includes that of determining whether or not there has been grave abuse of discretion amounting to lack or excess of jurisdiction on the part of the RTC in issuing an interlocutory order in cases falling within the exclusive appellate jurisdiction of the tax court. It, thus, follows that the CTA, by constitutional mandate, is vested with jurisdiction to issue writs of *certiorari* in these cases.

Indeed, in order for any appellate court, to effectively exercise its appellate jurisdiction, it must have the authority to issue, among others, a writ of *certiorari*. In transferring exclusive jurisdiction over appealed tax cases to the CTA, it can reasonably be assumed that the law intended to transfer also such power as is deemed necessary, if not indispensable, in aid of such appellate jurisdiction. There is no perceivable reason why the transfer should only be considered as partial, not total.