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[G.R. No. 120051, December 10, 2014]

CITY OF MANILA, HON. ALFREDO S. LIM, AS MAYOR OF THE CITY OF MANILA, AND ANTHONY Y. ACEVEDO, CITY TREASURER, PETITIONERS, VS. HON. ANGEL VALERA COLET, AS PRESIDING JUDGE, REGIONAL TRIAL COURT OF MANILA (BR. 43), AND MALAYSIAN AIRLINE SYSTEM, RESPONDENTS.

[G.R. NO. 121613]

MAERSK-FILIPINAS, INC., AMERICAN PRESIDENT LINES, LTD., FLAGSHIP TANKERS CORP., CORE INDO MARITIME CORP., AND CORE MARITIME CORP., PETITIONERS, VS. CITY OF MANILA, MAYOR ALFREDO LIM, VICE MAYOR LITO ATIENZA,^[1] SANGGUNIANG PANLUNGSOD AND CITY TREASURER ANTHONY ACEVEDO, RESPONDENTS.

[G.R. NO. 121675]

EASTERN SHIPPING LINES, INC., PETITIONER, VS. CITY COUNCIL OF MANILA, THE MAYOR OF MANILA AND THE CITY OF MANILA, RESPONDENTS.

[G.R. NO. 121704]

WILLIAM LINES, INC., NEGROS NAVIGATION CO., INC., LORENZO SHIPPING CORPORATION, CARLOS A. GOTHONG LINES, INC., ABOITIZ SHIPPING CORPORATION, ABOITIZ AIR TRANSPORT CORPORATION, ABOITIZ HAULERS, INC., AND SOLID SHIPPING LINES CORPORATION, PETITIONERS, VS. REGIONAL TRIAL COURT OF MANILA, BRANCH 32, CITY OF MANILA, MAYOR ALFREDO LIM, VICE MAYOR LITO ATIENZA, SANGGUNIANG PANLUNGSOD, AND CITY TREASURER ANTHONY ACEVEDO, RESPONDENTS.

[G.R. NOS. 121720-28]

PNOC SHIPPING AND TRANSPORT CORPORATION, PETITIONER, VS. HON. JUAN T. NABONG, JR., PRESIDING JUDGE, REGIONAL TRIAL COURT OF MANILA, BRANCH 32; THE CITY OF MANILA; MAYOR ALFREDO LIM; VICE MAYOR LITO ATIENZA; SANGGUNIANG PANLUNGSOD, AND CITY TREASURER ANTHONY ACEVEDO , RESPONDENTS.

[G.R. NOS. 121847-55]

MAERSK-FILIPINAS, INC., AMERICAN PRESIDENT LINES, SEALAND SERVICES, INC., OVERSEAS FREIGHTERS SHIPPING, INC., DONGNAMA SHIPPING CO., LTD., FLAGSHIP TANKERS, CORE INDO MARITIME CORP., CORE MARITIME CORP., AND EASTERN SHIPPING LINES, INC., PETITIONERS, VS. CITY OF MANILA, HON. MAYOR ALFREDO S. LIM, HON. VICE MAYOR LITO ATIENZA, JR., SANGGUNANG PANLUNGSOD NG MAYNILA, AND CITY TREASURER ANTHONY Y. ACEBEDO AND THEIR AGENTS OR REPRESENTATIVES, AND HON. JUDGE JUAN C. NABONG, JR., BRANCH 32, REGIONAL TRIAL COURT OF MANILA, RESPONDENTS, WILLIAM LINES, INC., NEGROS NAVIGATION CO., INC., LORENZO SHIPPING CORPORATION, CARLOS A. GOTHONG LINES, INC., ABOITIZ SHIPPING CORPORATION, ABOITIZ AIR TRANSPORT CORPORATION, ABOITIZ HAULERS, INC., SOLID SHIPPING LINES CORPORATION AND PNOCC SHIPPING & TRANSPORT CORPORATION, INTERVENORS.

[G.R. NO. 122333]

COSCO CONTAINER LINES AND HEUNG-A SHIPPING CO., LTD., BOTH REPRESENTED BY THEIR RESIDENT AGENT, WALLEM PHILIPPINES SHIPPING, INC.; DSR SENATOR LINES, COMPANIA SUD AMERICANA DE VAPORES S.A., AND ARIMURA SANGYO COMPANY, LTD., ALL REPRESENTED BY THEIR RESIDENT AGENT, C.F. SHARP SHIPPING AGENCIES, INCORPORATED; PACIFIC INTERNATIONAL LINES (PTE) LTD. AND PACIFIC EAGLE LINES (PTE) LTD., BOTH REPRESENTED BY THEIR RESIDENT AGENT, TMS SHIP AGENCIES, INC.; COMPAGNIE MARITIME D'AFFRETEMENT (CMA), REPRESENTED BY ITS RESIDENT AGENT, INCHCAPE SHIPPING SERVICES; EVERETT ORIENT LINES, INC., REPRESENTED BY ITS RESIDENT AGENT, EVERETT STEAMSHIP CORPORATION; YANGMING MARINE TRANSPORT CORP., REPRESENTED BY ITS RESIDENT AGENT, SKY INTERNATIONAL, INC.; NIPON YUSEN KAISHA, REPRESENTED BY ITS RESIDENT AGENT, FIL-JAPAN SHIPPING CORPORATION; HYUNDAI MERCHANT MARINE CO. LTD., REPRESENTED BY ITS RESIDENT AGENT, CITADEL LINES; MALAYSIAN INTERNATIONAL SHIPPING CORPORATION BERHAD, REPRESENTED BY ITS RESIDENT AGENT, ROYAL CARGO AGENCIES, INC.; BOLT ORIENT LINE, REPRESENTED BY ITS RESIDENT AGENT, FILSOV SHIPPING COMPANY, INC.; MITSUI-O.S.K. LINES, LTD., REPRESENTED BY ITS RESIDENT AGENT, MAGSAYSAY AGENCIES, INC.; PHILS., MICRONESIA & ORIENT NAVIGATION CO. (PMSO LINE), REPRESENTED BY ITS RESIDENT AGENT, VAN TRANSPORT COMPANY, INC.; LLOYD TRIESTINO DI NAVIGAZIONE S.P.A.N. AND COMPAGNIE GENERALE MARITIME, BOTH REPRESENTED BY THEIR RESIDENT AGENT, F.E. ZUELLIG (M), INC.; AND MADRIGAL-WAN HAI LINES, PETITIONERS, VS. CITY OF MANILA, MAYOR ALFREDO LIM, VICE MAYOR LITO ATIENZA, SANGGUNANG PANLUNGSOD AND CITY TREASURER ANTHONY Y. ACEBEDO, RESPONDENTS,

[G.R. NO. 122335]

SULPICIO LINES, INC., PETITIONER, VS. REGIONAL TRIAL COURT OF MANILA, BRANCH 32, CITY OF MANILA MAYOR ALFREDO LIM, VICE MAYOR LITO ATIENZA, SANGGUNIANG PANLUNGSOD AND CITY TREASURER ANTHONY ACEVEDO, RESPONDENTS.

[G.R. NO. 122349]

ASSOCIATION OF INTERNATIONAL SHIPPING LINES, INC., IN ITS OWN BEHALF AND IN REPRESENTATION OF ITS MEMBERS, PETITIONER, VS. CITY OF MANILA, MAYOR ALFREDO LIM, VICE MAYOR LITO ATIENZA, SANGGUNIANG PANLUNGSOD AND CITY TREASURER ANTHONY ACEVEDO, RESPONDENTS.

[G.R. NO. 124855]

DONGNAMA SHIPPING CO., LTD. AND KYOWA SHIPPING LTD. HEREIN REPRESENTED BY SKY INTERNATIONAL, INC., PETITIONERS, VS. COURT OF APPEALS, CITY OF MANILA MAYOR ALFREDO LIM, VICE MAYOR LITO ATIENZA, CITY COUNCIL OF MANILA, AND CITY TREASURER ANTHONY ACEVEDO, RESPONDENTS.

D E C I S I O N

LEONARDO-DE CASTRO, J.:

Before the Court are 10 consolidated Petitions, the issue at the crux of which is the constitutionality and/or validity of Section 21(B) of Ordinance No. 7794 of the City of Manila, otherwise known as the Revenue Code of the City of Manila (Manila Revenue Code), as amended by Ordinance No. 7807.^[2]

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ANTECEDENT FACTS

The Manila Revenue Code was enacted on June 22, 1993 by the City Council of Manila and approved on June 29, 1993 by then Manila Mayor Alfredo S. Lim (Lim). Section 21(B) of said Code originally provided:

Section 21. Tax on Businesses Subject to the Excise, Value-Added or Percentage Taxes Under the NIRC. – On any of the following businesses and articles of commerce subject to the excise, value-added or percentage taxes under the National Internal Revenue Code, hereinafter referred to as NIRC, as amended, a tax of three percent (3%) per annum on the gross sales or receipts of the preceding calendar year is hereby imposed:

x x x x

B) On the gross receipts of keepers of garages, cars for rent or hire driven by the lessee, transportation contractors, persons who transport passenger or freight for hire, and common carriers by land, air or water, except owners of bancas and owners of animal-drawn two-wheel vehicle.

Shortly thereafter, Ordinance No. 7807 was enacted by the City Council of Manila on September 27, 1993 and approved by Mayor Lim on September 29, 1993, already amending several provisions of the Manila Revenue Code. Section 21 of the Manila Revenue Code, as amended, imposed a lower tax rate on the businesses that fell under it, and paragraph (B) thereof read as follows:

Section 21. Tax on Business Subject to the Excise, Value-Added or Percentage Taxes Under the NIRC – On any of the following businesses and articles of commerce subject to the excise, value-added or percentage taxes under the National Internal Revenue Code hereinafter referred to as NIRC, as amended, a tax of FIFTY PERCENT (50%) OF ONE PERCENT (1%) per annum on the gross sales or receipts of the preceding calendar year is hereby imposed:

x x x x

B) On the gross receipts of keepers of garages, cars for rent or hire driven by the lessee, transportation contractors, persons who transport passenger or freight for hire, and common carriers by land, air or water, except owners of bancas and owners of animal-drawn two-wheel vehicle.

The City of Manila, through its City Treasurer, began imposing and collecting the business tax under Section 21(B) of the Manila Revenue Code, as amended, beginning January 1994.

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Malaysian Airline System (MAS) is a foreign corporation organized and existing under the laws of Malaysia. It is licensed to engage in business in the Philippines by the Securities and Exchange Commission (SEC), particularly in the airline business which involves the transportation of passengers and cargo for hire. Its principal office and place of business in the Philippines is located in the City of Manila.

As MAS was renewing its business permit for 1994, it was assessed by the City Treasurer of Manila on January 17, 1994 for the following taxes and fees:

Mayor's permit and regulatory fees	P 10,307.50
Municipal license tax or business tax	<u>1,100,000.00</u>
Total	P 1,110,307.50 ^[3]

MAS, believing that it was exempt from the municipal license tax or business tax,

tendered, via Far East Bank and Trust Company (FEBTC) Check No. 06564 dated January 19, 1994, only the amount of P10,307.50 for the mayor's permit and regulatory fees. The City Treasurer of Manila refused to accept FEBTC Check No. 06564.

Consequently, on January 20, 1994, MAS instituted Civil Case No. 94-69052, to consign with the trial court the amount of P10,307.50 for mayor's permit and regulatory fees; to challenge the assessment against it by the City Treasurer of Manila in the amount of P1,100,000.00 for municipal license tax or business tax; and to have Section 21(B) of the Manila Revenue Code, as amended, on which said assessment for municipal license tax or business tax was based, be declared invalid or null and void. Civil Case No. 94-69052 was assigned to the Regional Trial Court (RTC) of Manila, Branch 43.

On April 3, 1995, RTC-Branch 43 rendered a Decision^[4] in favor of MAS. The dispositive portion of said Decision reads:

WHEREFORE, the foregoing disquisitions considered, judgment is hereby rendered in favor of the plaintiff against the defendants:

1. Declaring the consignment valid and made in accordance with law;
2. Ordering defendants to issue to plaintiff the mayor's permit or permit to operate for 1994, the necessary certificates and official receipts evidencing payment of [plaintiff's] liabilities for mayor's permit fee and other regulatory fees for 1994; and,
3. Declaring Section 21(B) of Ordinance No. 7794, as amended by Ordinance No. 7807, of the City of Manila as invalid or null and void insofar as it imposes a business tax on transportation contractors, persons engaged in the transportation of passengers or freight by hire and common carriers by air, land or water, or that plaintiff is exempt from the tax imposed by said section 21(B).
4. Declaring plaintiff's obligation to the defendant City of Manila for mayor's permit fee and other regulatory fees for 1994 as having been paid and extinguished without any liability for surcharges, interests or any additional amount whatsoever.

Not having been proven, the prayer for the payment of attorney's fees is denied.

No pronouncement as to costs.^[5]

The City of Manila, Mayor Lim, and City Treasurer Anthony Y. Acevedo (Acevedo) filed with the Court a Petition for Review on *Certiorari*,^[6] assailing the Decision