

SC rules in favor of shipping firm in VAT case

THE Supreme Court (SC) ruled in favor of Dohle Shipmanagement Philippines Corp. (Dohle) in a value-added tax (VAT) case, in which it clarified the prescriptive periods for filing VAT refund claims with the Bureau of Internal Revenue (BIR).

In a decision publicized on Feb. 5, 2025, and written by Associate Justice Alfredo Benjamin S. Caguioa, the SC's Third Division affirmed that for VAT refund claims filed before June 11, 2014, the 120-day period for the BIR to resolve a claim starts when the taxpayer determines that its submission of documents is complete.

For claims filed before June 11, 2014, the 120-day period begins when the taxpayer files a complete claim or indicates no further documents will be submitted.

If the BIR requests additional documents, the taxpayer has 30 days to comply, and the 120-day period starts upon submission or after the 30 days.

Moreover, if the BIR does not notify the taxpayer of incomplete submissions, the 120-day period starts when the taxpayer voluntarily submits additional documents.

The administrative claim must be filed within two years from the end of the taxable quarter.

Meanwhile, for claims filed between June 11, 2014, and Dec. 31, 2017, the 120-day period starts when the complete claim is filed.

Taxpayers also cannot submit additional documents.

The administrative claim must be filed within two years from the end of the taxable quarter.

For claims filed beginning Jan. 1, 2018, the BIR has 90 days to resolve the claim from the date of filing with complete supporting documents.

The BIR will not request additional documents as incomplete claims will be rejected outright.

The administrative claim must be filed within two years from the end of the taxable quarter or the issuance of tax clearance when a business ceases operations.

The case stemmed from Dohle, which sought a refund for unutilized input VAT for 2012. Dohle filed its administrative claim with the BIR on March 31, 2014, and submitted additional documents on July 28, 2014.

According to the 1997 Tax Code, the BIR has 120 days to decide on an administrative claim from the date the taxpayer submits complete documents.

If the BIR denies or fails to act on the claim, the taxpayer has 30 days to file a judicial claim with the Court of Tax Appeals (CTA). This is known as the 120+30-day rule.

The BIR argued that the 120-day period started when Dohle filed its initial claim on March 31, 2014, making Dohle's judicial claim, filed on Dec. 23, 2014, too late.

It also argued that BIR's Memorandum Circular 49-2003 requires any additional documents to be submitted within 30 days of the initial filing.

However, both the CTA and the SC ruled in favor of Dohle, saying that the 120-day period began on July 28, 2014, when Dohle submitted additional documents.

The SC said the 120 days are intended to benefit taxpayers, ensuring the BIR acts on claims.

It also said the 30-day period for submitting additional documents only applies when the BIR determines the initial submission was incomplete. — **Chloe Mari A. Hufana**

BCDA signs new deals with former John Hay operator's leaseholders

THE Bases Conversion and Development Authority (BCDA) said it signed lease agreements with sub-lessees of CJH Development Corp. (CJHDevCo) for Forest Estates, Country Homes, Golf Estates, and Forest Cabins in Camp John Hay.

"Following the Supreme Court's final ruling allowing BCDA to recover the Camp John Hay property, the BCDA has signed over 40 new residential agreements with sub-lessees of CJHDevCo," the state-owned agency said.

"BCDA has also been in talks with other stakeholders to come up with fresh term sheets for their residential leases in Camp John Hay," it added.

BCDA President and Chief Executive Officer Joshua M. Bingcang said that he expects to finalize and sign agreements with the other residential leaseholders in the coming days.

"We want to assure all stakeholders that BCDA is here to help facilitate this transition of management in Camp John Hay. As we move forward, our focus now for Camp John Hay is to create a future that benefits everyone," he said.

"With the support of our private partners and the Baguio City government, we are working to improve facilities and services, protect the natural environment of the area, create employment opportunities, and ultimately, empower the community," he added.

The BCDA took over Camp John Hay after the Supreme Court issued a final resolution allowing the recovery of the 247-hectare property from CJHDevCo. — **Justine Irish D. Tabile**

Targeted support, not P200 wage hike — business groups

BUSINESS GROUPS battled for targeted support for small businesses in place of the proposed P200 wage increase, saying that an across-the-board wage hike could have "devastating effects" on the economy.

"While we recognize the need for fair wages and improved working conditions for employees, we believe that the proposed P200 across-the-board wage increase is neither feasible nor beneficial in the current economic environment," they said in a statement dated Feb. 4.

They said Congress should propose targeted measures that address poverty and inequality.

These include "providing more support for micro, small and medium enterprises (MSMEs), strengthening social safety nets for workers, and improving access to education and skills training to help workers secure better paying, sustainable jobs," the business groups said.

The House Committee on Labor approved last week a bill that would grant a P200 across-the-board wage increase for private-sector workers.

"We call on the committee to reconsider the potential adverse effects of this proposal on businesses, workers, and the economy as a whole," the groups said.

"Rather than hastily passing blanket wage increases, we advocate for a more comprehensive, consultative approach that balances the needs of workers with the realities faced by employers, especially considering the current policies affecting the business landscape," they added.

The groups said that the blanket wage increase will potentially burden businesses operating on slim margins, exclude informal workers, and result in wage distortion and higher prices for goods and services.

In particular, the groups said that businesses, especially MSMEs, are already struggling due to rising operational costs, and lack the financial flexibility to absorb increases in labor costs.

It added that the penalties of up to P100,000, imprisonment, and double indemnity for unpaid benefits place a heavy compliance burden on employers, especially for MSMEs that lack the resources to ensure full compliance.

"The risk of criminal liability and hefty fines, especially during times of economic hardship, could further discourage business growth and the creation of new jobs," they said.

"The heavy penalties may inadvertently create an adversarial relationship between employers and employees, rather than fostering collaboration and mutual benefit," they added.

The wage increase is also expected to make large enterprises, especially those in manufacturing, retail, and services, less competitive due to the substantial increase in labor costs.

"An increase of P200 per day for all workers will strain their financial capacity and could result in delayed investments, reduced hiring, and potentially even job cuts as companies are forced to streamline operations," they read.

The joint statement was signed by the Employers Confederation of the Philippines, the Philippine Chamber of Commerce and Industry, the Philippine Exporters Confederation, Inc., the Philippine Hotel Owners Association, and the Philippine Association of Legitimate Service Contractors, Inc.

Other signatories were the Philippine Retailers Association, the Federation of Filipino Chinese Chambers of Commerce and Industry, the Philippine Constructors Association, Inc., the People Management Association of the Philippines, and the Semiconductor and Electronics Industries in the Philippines, Inc. — **Justine Irish D. Tabile**

The only data-driven magazine that ranks the country's top companies.

TOP 1000 IS OUT NOW!

Which firms made it to the Top 1000 list?

Who are the top market players?

How did key business sectors perform?

Find out in the latest issue of **BusinessWorld's Top 1000 Corporations in the Philippines.**

₱750 only

For orders, call BusinessWorld's Circulation Department at:

8527-7777 loc. 2651
circ@bworldonline.com

Grab your copy today!

