



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

REPUBLIC OF THE PHILIPPINES,
represented by the **PRIVATIZATION**
AND MANAGEMENT OFFICE,
Petitioner,

- versus -

CITY OF SURIGAO, as represented
by **CITY MAYOR ERNESTO T.**
MATUGAS AND CITY TREASURER
SARAH P. YAMIT,
Respondents.

G.R. No. 218056

Present:

LEONEN, *S.A.J., Chairperson*
LAZARO-JAVIER,
LOPEZ, M.,
LOPEZ, J., and
KHO, JR., *JJ.*

Promulgated:

AUG 31 2022

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DECISION

M. LOPEZ, J.:

The Court of Tax Appeals has the exclusive appellate jurisdiction over decisions, orders, or resolutions issued by the Regional Trial Court in a local tax case. This includes the power to issue a writ of *certiorari* in aid of its appellate jurisdiction. We reiterate this dictum in this petition assailing the

Decision¹ dated November 17, 2014 and Resolution² dated April 27, 2015 of the Court of Appeals (CA) in CA-G.R. SP No. 04987-MIN.

Antecedents

Asset Privatization Trust (APT) was created under Proclamation No. 50, series of 1986,³ to take, for the benefit of the National Government, title to and possession of, conserve, provisionally manage, and dispose of assets that have been identified for privatization. On December 28, 1999, Republic Act (RA) No. 8758⁴ was enacted, extending APT's term from January 1, 2000 to December 31, 2000.⁵

On February 27, 1987, the Development Bank of the Philippines (DBP) transferred its non-performing assets to APT, including, among others, the account of Nonoc Mining and Industrial Corporation (NMIC). Subsequently, on May 10, 1996, petitioner, through APT, entered into an Amended Restated Definitive Agreement (ARDA) with NMIC and Philnico Mining and Industrial Corporation (PMIC) for the sale to PMIC of the 22,500,000 shares of common stock of NMIC and certain receivables (Tranche B Receivables) of APT from NMIC.⁶

On September 27, 1999, petitioner, PMIC [now known as Philnico Industrial Corporation (PIC)], and NMIC [now known as Philnico Processing Corporation (PPC)] executed an Amendment Agreement⁷ to revise the ARDA due to a change in the process technology of PPC's nickel refinery from ammonia leach process to acid leach process, and the effects of the economic problems affecting the Asia-Pacific Region on the financing, rehabilitation and operation of the nickel refinery. As a result, some existing facilities of the refinery were rendered redundant. Therefore, instead of negotiating for the corresponding reduction in the acquisition price of PPC's common stock and the receivables, including restructuring the payment terms of its obligation under the ARDA, PIC opted to return the redundant assets to APT with an estimated value of PHP 85,051,200.00.⁸

¹ *Rollo*, pp. 44–51. Penned by Associate Justice Maria Filomena D. Singh (now Member of this Court) and concurred in by Associate Justices Romulo V. Borja and Oscar V. Badelles of the Twenty-first Division, Court of Appeals, Cagayan de Oro City.

² *Id.* at 53–54. Penned by Associate Justice Maria Filomena D. Singh (now Member of this Court) and concurred in by Associate Justices Romulo V. Borja and Oscar V. Badelles of the Twenty-first Division, Court of Appeals, Cagayan de Oro City.

³ Entitled "PROCLAIMING AND LAUNCHING A PROGRAM FOR THE EXPEDITIOUS DISPOSITION AND PRIVATIZATION OF CERTAIN GOVERNMENT CORPORATIONS AND/OR THE ASSETS THEREOF, AND CREATING THE COMMITTEE ON PRIVATIZATION AND THE ASSET PRIVATIZATION TRUST," December 8, 1986.

⁴ Entitled "AN ACT EXTENDING THE TERM OF THE COMMITTEE ON PRIVATIZATION AND THE ASSET PRIVATIZATION TRUST AMENDING FOR THE PURPOSE REPUBLIC ACT NUMBERED SEVEN THOUSAND ONE HUNDRED EIGHTY-ONE, AS AMENDED," December 28, 1999.

⁵ Section 1 of Republic Act No. 7181, as amended by Republic Act No. 7661 and Republic Act No. 7886, is hereby further amended to read as follows:

"SECTION 1. The term of the Committee on Privatization and the Asset Privatization Trust created by Proclamation No. 50 'Proclaiming and Launching a Program for the Expeditious Disposition and Privatization of Certain Government Corporations and/or the Assets thereof, and Creating the Committee on Privatization and the Asset Privatization Trust' is hereby extended from January 01, 2000 to December 31, 2000. x x x"

⁶ *Rollo*, p. 12.

⁷ *Id.* at 101–108.

⁸ *Id.* at 12.

Upon the expiration of APT's term on December 31, 2000 and under RA No. 8758 mandating the transfer of assets held by APT to a trust department of an appropriate government financial institution, former President Joseph Ejercito Estrada issued Executive Order (EO) No. 323⁹ dated December 6, 2000, creating the Privatization and Management Office (PMO) under the Department of Finance, which took over the functions of the defunct APT.¹⁰

On June 6, 2006, the redundant assets were declared for real property taxation by the city assessor of Surigao City in accordance with Section 204¹¹ of the Local Government Code and classified the same as exempt from tax. On May 2, 2011, PMO received a letter¹² from Mayor Ernesto T. Matugas of respondent City Government of Surigao City requesting the payment of alleged outstanding Real Property Tax (RPT) on the redundant assets amounting to PHP 200,739,598.76, inclusive of penalties, as of December 31, 2010 within fifteen (15) days from receipt.¹³ The subject redundant assets were then levied under a Notice of Levy issued by the City Treasurer as annotated on the Tax Declaration Nos. I-1500033 to I-1500041 and I-1500045.¹⁴

PMO, through a letter dated June 22, 2011, protested the collection of RPT from the redundant assets as these were exempt, being properties of the government.¹⁵ In turn, City Treasurer Sarah P. Yamit, in a letter¹⁶ dated August 2, 2011, furnished PMO with a copy of the Advertisement of Sale at Public Auction of Delinquent Real Property¹⁷ regarding the scheduled auction sale of the redundant assets at the Office of the City Treasurer on September 19, 2011 from 2:00 to 5:00 p.m.¹⁸

This prompted the petitioner to file a Petition for Prohibition with application for a Temporary Restraining Order and/or Writ of Preliminary Injunction¹⁹ before the Regional Trial Court (RTC), Branch 29 of Surigao City. Petitioner insisted that the collection of RPT is without basis because the redundant assets are owned by the Government and, thus, exempt from RPT. On September 15, 2011, the RTC directed the Local Government of Surigao

⁹ Entitled "CONSTITUTING AN INTER-AGENCY PRIVATIZATION COUNCIL (PC) AND CREATING A PRIVATIZATION AND MANAGEMENT OFFICE (PMO) UNDER THE DEPARTMENT OF FINANCE FOR THE CONTINUING PRIVATIZATION OF GOVERNMENT ASSETS AND CORPORATIONS," December 6, 2000.

¹⁰ *Rollo*, pp. 12-13.

¹¹ SECTION 204. Declaration of Real Property by the Assessor. - When any person, natural or juridical, by whom real property is required to be declared under Section 202 hereof, refuses or fails for any reason to make such declaration within the time prescribed, the provincial, city or municipal assessor shall himself declare the property in the name of the defaulting owner, if known, or against an unknown owner, as the case may be, and shall assess the property for taxation in accordance with the provision of this Title. No oath shall be required of a declaration thus made by the provincial, city or municipal assessor.

¹² *Rollo*, p. 125.

¹³ *Id.* at 13.

¹⁴ *Id.* at 115-124.

¹⁵ *Id.* at 129-130.

¹⁶ *Id.* at 131.

¹⁷ *Id.* at 132.

¹⁸ *Id.* at 13.

¹⁹ *Id.* at 134-181.

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City not to conduct any public bidding until the application for Temporary Restraining Order (TRO) filed by petitioner has been resolved.²⁰

On June 15, 2012, the RTC issued its Resolution²¹ denying petitioner's application for writ of preliminary injunction. The decretal portion reads:

WHEREFORE, PREMISES CONSIDERED, petitioner's application for the Writ of Preliminary Injunction is hereby DENIED for lack of legal and factual bases.

Respondent City may proceed with the auction sale of the redundant assets subject to the observance of the proper procedures under Section 258 of the Local Government Code.

SO ORDERED.²²

On July 5, 2012, petitioner moved to reconsider RTC's adverse ruling.²³

On July 9, 2012, petitioner was able to secure once again a copy of the advertisement for sale, setting the auction sale of the redundant assets on July 16, 2012. Thus, petitioner was constrained to file a petition for *certiorari*²⁴ under Rule 65 of the Rules of Court with the CA and withdrew its motion for reconsideration lodged with the RTC, in conformity with the rule against forum shopping.²⁵

In its Resolution dated July 13, 2012, the CA granted petitioner's prayer for the issuance of a TRO enjoining respondent City "from further proceeding with, and conducting, the scheduled auction sale of the subject real properties on July 16, 2012." On November 17, 2014, the CA rendered the assailed Decision²⁶ denying the Petition for *Certiorari* solely on technical grounds, *i.e.*, (1) that a motion for reconsideration is a condition *sine qua non* for the filing of a *certiorari* petition, which petitioner did not pursue, and (2) that petitioner failed to exhaust administrative remedies in questioning the tax collection on the subject properties by immediately filing the petition for prohibition before the RTC.²⁷

Petitioner sought to reconsider the assailed Decision, but the CA denied its motion in its Resolution dated April 27, 2015.²⁸

Hence, the present petition for review on *certiorari*, with urgent application for an *ex-parte* temporary restraining order and/or writ of preliminary injunction.²⁹

²⁰ *Id.* at 14.

²¹ *Id.* at 92-100. Penned by Judge Victor A. Canoy, Regional Trial Court, Branch 29, Surigao City.

²² *Id.* at 100.

²³ *Id.* at 191-207.

²⁴ *Id.* at 55-90.

²⁵ *Id.* at 14-15.

²⁶ *Id.* at 44-51.

²⁷ *Id.* at 15.

²⁸ *Id.* at 53-54.

²⁹ *Id.* at 10-29.

On July 6, 2015, the Court, without necessarily giving due course to the petition, issued a Temporary Restraining Order³⁰ (TRO) enjoining the City of Surigao, as represented by City Mayor Ernesto Matugas, and the City Treasurer Sarah Yamit, from proceeding with the auction sale of the subject properties covered by the Advertisement and Sale at Public Action of Delinquent Real Property dated June 22, 2012, effective immediately and continuing until further orders from the Court.

Ruling

We deny the petition. The petition for *certiorari* questioning the RTC's denial of the application for a writ of injunction was filed in the wrong court.

Under Section 7(a)(3) of RA No. 1125, as amended by RA No. 9282,³¹ the Court of Tax Appeals (CTA) has the exclusive appellate jurisdiction over local tax cases, including cases involving real property taxes,³² decided by the RTC.³³ The CTA's jurisdiction includes the power to issue writs of *certiorari* over interlocutory orders issued by the RTC in a local tax case.³⁴

In *City of Manila v. Grecia-Cuerdo*,³⁵ the Court ruled that while there is no express grant of power to the CTA to issue writs of *certiorari* under RA No. 1125, as amended, the Constitution provides, nonetheless, that "judicial power shall be vested in one Supreme Court and in such lower courts as may be established by law[;] judicial power includes the duty of the courts of justice to settle actual controversies involving rights which are legally demandable and enforceable, and to determine whether or not there has been a grave abuse of discretion amounting to lack or excess of jurisdiction on the part of any branch or instrumentality of the Government." The Court elaborated:

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.

³⁰ *Id.* at 216–218.

³¹ Entitled, "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," March 30, 2004.

³² *City of Lapu-Lapu v. Phil. Economic Zone Authority*, 748 Phil. 473 (2014); *National Power Corp. v. Municipal Government of Navotas*, 747 Phil. 744 (2014).

³³ Sec. 7. Jurisdiction. — The CTA shall exercise:

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

x x x x

(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[.]

³⁴ *City of Manila v. Grecia-Cuerdo*, 726 Phil. 9 (2014).

³⁵ *Id.*

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.

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Furthermore, Section 6, Rule 135 of the present Rules of Court provides that when by law, jurisdiction is conferred on a court or judicial officer, all auxiliary writs, processes and other means necessary to carry it into effect may be employed by such court or officer.

If this Court were to sustain petitioners' contention that jurisdiction over their *certiorari* petition lies with the CA, this Court would be confirming the exercise by two judicial bodies, the CA and the CTA, of jurisdiction over basically the same subject matter — precisely the split-jurisdiction situation which is anathema to the orderly administration of justice. The Court cannot accept that such was the legislative motive, especially considering that the law expressly confers on the CTA, the tribunal with the specialized competence over tax and tariff matters, the role of judicial review over local tax cases without mention of any other court that may exercise such power. Thus, the Court agrees with the ruling of the CA that since appellate jurisdiction over private respondents' complaint for tax refund is vested in the CTA, it follows that a petition for *certiorari* seeking nullification of an interlocutory order issued in the said case should, likewise, be filed with the same court. To rule otherwise would lead to an absurd situation where one court decides an appeal in the main case while another court rules on an incident in the very same case.

Stated differently, it would be somewhat incongruent with the pronounced judicial abhorrence to split jurisdiction to conclude that the intention of the law is to divide the authority over a local tax case filed with the RTC by giving to the CA or this Court jurisdiction to issue a writ of *certiorari* against interlocutory orders of the RTC but giving to the CTA the jurisdiction over the appeal from the decision of the trial court in the same case. It is more in consonance with logic and legal soundness to conclude that the grant of appellate jurisdiction to the CTA over tax cases filed in and decided by the RTC carries with it the power to issue a writ of *certiorari* when necessary in aid of such appellate jurisdiction. The supervisory power or jurisdiction of the CTA to issue a writ of *certiorari* in aid of its appellate jurisdiction should co-exist with, and be a complement to, its appellate jurisdiction to review, by appeal, the final orders and decisions of the RTC, in order to have complete supervision over the acts of the latter.

A grant of appellate jurisdiction implies that there is included in it the power necessary to exercise it effectively, to make all orders that will preserve the subject of the action, and to give effect to the final determination of the appeal. It carries with it the power to protect that jurisdiction and to make the decisions of the court thereunder effective. The court, in aid of its appellate jurisdiction, has authority to control all auxiliary and incidental matters necessary to the efficient and proper exercise of that jurisdiction. For this purpose, it may, when necessary, prohibit or restrain

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the performance of any act which might interfere with the proper exercise of its rightful jurisdiction in cases pending before it.³⁶

Accordingly, the CTA's exclusive appellate jurisdiction over a decision of the RTC in a local tax case necessarily includes determining whether the RTC acted with grave abuse of discretion amounting to lack or excess of jurisdiction in issuing an interlocutory order relative to the main action. "The supervisory power or jurisdiction of the CTA to issue a writ of *certiorari* in aid of its appellate jurisdiction should co-exist with, and be a complement to, its appellate jurisdiction to review, by appeal, the final orders and decisions of the RTC, in order to have complete supervision over the acts of the latter."³⁷

It must be stressed that the CTA's appellate jurisdiction in Section 7(a)(3) of RA No. 1125, as amended, becomes operative only when the RTC has ruled on a local tax case. This means that the action before the RTC must be in the nature of a tax case or one which primarily involves a tax issue. A local tax case may involve the legality or validity of the real property tax assessment, protests of assessments, disputed assessments, surcharges, or penalties; the validity of a tax ordinance; claims for tax refund/credit; claims for tax exemption; actions to collect the tax due; and even prescription of assessments.³⁸

In *Mactel Corp. v. City Government of Makati*,³⁹ we ruled that the CTA should have dismissed the case for lack of jurisdiction. The issue did not involve a local tax case but was civil in nature.

Here, petitioner's argument in disputing the local tax assessment does not involve the application of tax laws because this issue has already been resolved with finality when petitioner secured a final and executory judgment embodied in the Decision dated November 13, 2007. What petitioner seeks instead is to enforce the said final and executory judgment.

Even the trial court, in its Order dated August 6, 2015, acknowledged this, and held that:

[Petitioner] herein did not directly protest the assessment which as of the moment, is the subject of proper proceedings with [respondent] City Treasurer. What it seeks to correct is the previous acts committed by [respondents], particularly the very basis of the assessments it issued and its relation to the effects of the Decision dated 13 November 2007. The issue shall be delved into deeply by this Court once it goes into the merits of the instant Petition. At this point, this Court understands that [petitioner] does not seek to protest the amount of the assessment, but based upon its Petition, it merely seeks to define its rights under the Decision dated 13 November 2007.

To reiterate, the local tax case that may be elevated to the trial court and eventually to the CTA is the deficiency business tax assessment for taxable years 2010-2013 which was still under administrative review at the

³⁶ *Id.* at 24-26.

³⁷ *Id.* at 26.

³⁸ *Mactel Corp. v. City Government of Makati*, G.R. No. 244602, July 14, 2021, citing *Herarc Realty Corp. v. Provincial Treasurer of Batangas*, 839 Phil. 848 (2018). See also *Ignacio v. Office of the City Treasurer of Quezon City*, 817 Phil. 1133 (2017), citing *National Power Corp. v. Municipal Government of Navotas*, 747 Phil. 744 (2014).

³⁹ G.R. No. 244602, July 14, 2021.

time petitioner filed the petition for declaratory relief. Upon denial of petitioner's protest, it would inevitably elevate the same to the court of competent jurisdiction.

Whereas in this case, what are being questioned are the interlocutory orders issued by the RTC which did not rule on the validity of the assessments but merely ordered respondents to refrain from proceeding further with the assessments until the computation of petitioner's business taxes has been determined in accordance with the previous final and executory Decision. Likewise, the RTC's order for respondents to issue a temporary business permit to petitioner was merely to prevent grave and irreparable damage to petitioner while the main case before the trial court is still ongoing. Clearly, the assailed orders of the RTC are not issued in a local tax case contemplated under Section 7(a)(3) of the R.A. 9282.⁴⁰

In *Ignacio v. Office of the City Treasurer of Quezon City*,⁴¹ the case was related to collecting tax deficiencies. However, the Court ruled that it was not a local tax case over which the CTA could have properly assumed jurisdiction. The action filed with the RTC was essentially one for recovery of ownership and possession of the property, which is not anchored on a tax issue but due on process considerations. Thus, the case was correctly elevated to the CA, viz.:

In this case, a reading of the Annulment Complaint shows that Teresa's action before the RTC-Br. 85 is essentially one for recovery of ownership and possession of the property, with damages, which is not anchored on a tax issue, but on due process considerations. Particularly, she alleged that: (a) public respondents sent the Notice of Delinquency in July 2008, and the corresponding Warrant of Levy in May 2009, to a wrong address; (b) they knew her correct address as early as March 2007, or before they sent the Notice and Warrant; (c) she had in fact already filed an action against them involving a different property, for likewise sending the notice to a wrong address; and (d) their willful violation of her right to notice of the levy and auction sale deprived her of her right to take the necessary steps and action to prevent the sale of the property, participate in the auction sale, or otherwise redeem the property from Sps. Dimalanta. In other words, **the Annulment Complaint's allegations do not contest the tax assessment on the property, as Teresa only bewails the alleged lack of due process which deprived her of the opportunity to participate in the delinquency sale proceedings.** As such, the RTC-Br. 85's ruling thereon could not be characterized as a local tax case over which the CTA could have properly assumed jurisdiction on appeal. In fine, the case was correctly elevated to the CA. (Emphasis supplied)

On the other hand, the petition for injunction filed before the RTC in *City of Lapu-Lapu v. Phil. Economic Zone Authority*⁴² was a local tax case. The PEZA sought to enjoin the collection of its alleged real property taxes on the ground that it is exempt from the payment of RPT. The RTC denied its petition so it filed a petition for *certiorari* with the CA. The Court ruled that the proper remedy was to file an appeal to the CTA.

⁴⁰ *Id.*

⁴¹ 817 Phil. 1133 (2017).

⁴² 748 Phil. 473 (2014).

[T]he PEZA's petition for certiorari was filed before the wrong court. The PEZA should have filed its petition before the Court of Tax Appeals.

The Court of Tax Appeals has the exclusive appellate jurisdiction over local tax cases decided by Regional Trial Courts. Section 7, paragraph (a)(3) of Republic Act No. 1125, as amended by Republic Act No. 9282, provides:

Sec. 7. Jurisdiction. — The [Court of Tax Appeals] shall exercise:

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

x x x x

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[.]

The local tax cases referred to in Section 7, paragraph (a) (3) of Republic Act No. 1125, as amended, include cases involving real property taxes. Real property taxation is governed by Book II of the Local Government Code on "Local Taxation and Fiscal Matters." Real property taxes are collected by the Local Treasurer, not by the Bureau of Internal Revenue in charge of collecting national internal revenue taxes, fees, and charges.

Section 7, paragraph (a)(5) of Republic Act No. 1125, as amended by Republic Act No. 9282, separately provides for the exclusive appellate jurisdiction of the Court of Tax Appeals over decisions of the Central Board of Assessment Appeals involving the assessment or collection of real property taxes:

Sec. 7. Jurisdiction. — The [Court of Tax Appeals] shall exercise:

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

x x x x

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[.]

This separate provision, nevertheless, does not bar the **Court of Tax Appeals from taking cognizance of trial court decisions involving the collection of real property tax cases. Sections 256 and 266 of the Local Government Code expressly allow local government units to file "in any court of competent jurisdiction" civil actions to collect basic real property taxes. Should the trial court rule against them, local government units cannot be barred from appealing before the Court of Tax Appeals — the "highly specialized body specifically created for the purpose of reviewing tax cases."**

We have also ruled that the **Court of Tax Appeals, not the Court of Appeals, has the exclusive original jurisdiction over petitions for certiorari assailing interlocutory orders issued by Regional Trial**

Courts in a local tax case. We explained in *The City of Manila v. Hon. Grecia-Cuerdo* that while the Court of Tax Appeals has no express grant of power to issue writs of certiorari under Republic Act No. 1125, 214 as amended, the tax court's judicial power as defined in the Constitution includes the power to determine "whether or not there has been grave abuse of discretion amounting to lack or excess of jurisdiction on the part of the [Regional Trial Court] in issuing an interlocutory order of jurisdiction in cases falling within the exclusive appellate jurisdiction of the tax court."

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In this case, **the petition for injunction filed before the Regional Trial Court of Pasay was a local tax case originally decided by the trial court in its original jurisdiction.** Since the PEZA assailed a judgment, not an interlocutory order, of the Regional Trial Court, **the PEZA's proper remedy was an appeal to the Court of Tax Appeals.**⁴³ (Emphasis supplied.)

In *National Power Corp. v. Provincial Government of Bataan*,⁴⁴ the case involved the validity and legality of the foreclosure sale, which is related to the demandability of the local franchise tax – a local tax issue. We ruled that the CA correctly dismissed the appeal for lack of jurisdiction.

The case *a quo* is a local tax case that is within the exclusive appellate jurisdiction of the Court of Tax Appeals. Parenthetically, the case arose from the dispute between Napocor and respondents over the purported franchise tax delinquency of Napocor. **Although the complaint filed with the trial court is a *Petition for declaration of nullity of foreclosure sale with prayer for preliminary mandatory injunction*, a reading of the petition shows that it essentially assails the correctness of the local franchise tax assessments by the Provincial Government of Bataan.** Indeed, one of the prayers in the petition is for the court *a quo* to declare Napocor "as exempt from payment of local franchise taxes." Basic is the rule that allegations in the complaint and the character of the relief sought determine the nature of an action. **In order for the trial court to resolve the complaint, the issues regarding the correctness of the tax assessment and collection must also necessarily be dealt with.** As correctly ruled by the Court of Appeals, "the issue of the validity and legality of the foreclosure sale is essentially related to the issue of the demandability of the local franchise tax."⁴⁵ (Boldfacing supplied; italics in the original)

Similarly, the instant case primarily involves a tax issue. Petitioner was questioning the denial of its application for a writ of injunction to enjoin the respondents from selling the redundant assets in consequence of its alleged unpaid RPT. In particular, petitioner claimed in its Petition for Prohibition with application for a Temporary Restraining Order and/or Writ of Preliminary Injunction⁴⁶ that the properties sought to be auctioned are owned by the Government and thus, exempt from the payment of RPT. Being in the

⁴³ *Id.* at 528–532.

⁴⁴ 806 Phil. 688 (2017).

⁴⁵ *Id.* at 698.

⁴⁶ *Rollo*, pp. 134–181.

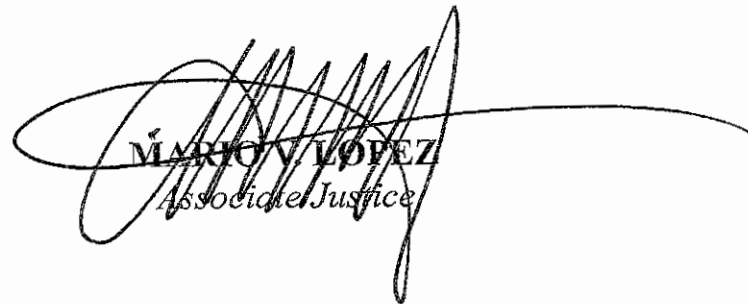
nature of a local tax case, the petitioner should have filed the petition with the CTA and not with the CA.

The appellate jurisdiction of the CTA is to the exclusion of all other courts.⁴⁷ The CA should have dismissed the petitioner's *certiorari* petition for lack of jurisdiction. Therefore, the CA's decision in CA-G.R. SP No. 04987-MIN is void.⁴⁸

ACCORDINGLY, the petition is **DENIED**. The Decision dated November 17, 2014 and the Resolution dated April 27, 2015 of the Court of Appeals in CA-G.R. SP No. 04987-MIN are **SET ASIDE**. The Petition for *Certiorari* filed by petitioner with the Court of Appeals assailing the Resolution dated June 15, 2012 of the Regional Trial Court, Branch 29 of Surigao City in Special Civil Action No. 7450 is **DISMISSED** for lack of jurisdiction.


The Temporary Restraining Order dated July 6, 2015 is **LIFTED**.

SO ORDERED.




MARIO V. LOPEZ
Associate Justice

WE CONCUR:




MARVIC M. V. F. LEONEN
Senior Associate Justice
Chairperson



AMY C. LAZARO-JAVIER
Associate Justice



JHOSEP V. LOPEZ
Associate Justice




ANTONIO T. KHO, JR.
Associate Justice

⁴⁷ *City of Lapu-Lapu v. Phil. Economic Zone Authority*, 748 Phil. 473 (2014).

⁴⁸ *Banco Filipino Savings and Mortgage Bank v. Bangko Sentral ng Pilipinas*, G.R. No. 200642, April 26, 2021.

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC M. V. F. LEONEN
Senior Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ALEXANDER G. GESMUNDO
Chief Justice