SECOND DIVISION

KEPCO PHILIPPINES CORPORATION,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

G.R. No. 181858

Present:

CARPIO, *J.*, *Chairperson*,
NACHURA,
PERALTA,
ABAD, and
MENDOZA, *JJ.*

Promulgated:

November 24, 2010

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D E C I S I O N

MENDOZA, *J.*:

This is a petition for review on *certiorari*[1] under Rule 45 of the Rules of Court seeking reversal of the February 20, 2008 Decision[2] of the Court of Tax Appeals *En Banc (CTA)* in C.T.A. EB No. 299, which ruled that "in order for petitioner to be entitled to its claim for refund/issuance of tax credit certificate representing unutilized input VAT attributable to its zero-rated sales for taxable year 2002, it must comply with the substantiation requirements under the appropriate Revenue Regulations."

Petitioner KEPCO Philippines Corporation *(Kepco)* is a VAT-registered independent power producer engaged in the business of generating electricity. It exclusively sells electricity to National Power Corporation *(NPC),* an entity exempt from taxes under Section 13 of Republic Act No. 6395 *(RA No. 6395).*[3]

Records show that on December 4, 2001, Kepco filed an application for zero-rated sales with the Revenue District Office (*RDO*) No. 54 of the Bureau of Internal Revenue *(BIR).* Kepco's application was approved under VAT Ruling 64-01. Accordingly, for taxable year 2002, it filed four Quarterly VAT Returns declaring zero-rated sales in the aggregate amount of ₱3,285,308,055.85 itemized as follows:

Exhibit	Quarter Involved	Zero-Rated Sales
B	1st Quarter	₱651,672,672.47
C	2nd Quarter	725,104,468.99
D	3rd Quarter	952,053,527.29
E	4th Quarter	956,477,387.10
	Total	₱3,285,308,055.85[4]

In the course of doing business with NPC, Kepco claimed expenses reportedly sustained in connection with the production and sale of electricity with NPC. Based on Kepco's calculation, it paid input VAT amounting to ₱11,710,868.86 attributing the same to its zero-rated sales of electricity with NPC. The table shows the purchases and corresponding input VAT it paid.

Exhibit	Quarter Involved	Purchases	Input VAT
B	1st Quarter	₱6,063,184.90	₱606,318.49
C	2nd Quarter	18,410,193.20	1,841,019.32
D	3rd Quarter	16,811,819.21	1,681,181.93
E	4th Quarter	75,823,491.20	7,582,349.12
		₱117,108,688.51	₱11,710,868.86[5]

Thus, on April 20, 2004, Kepco filed before the Commissioner of Internal Revenue *(CIR)* a claim for tax refund covering unutilized input VAT payments attributable to its zero-rated sales transactions for taxable year 2002.[6] Two days later, on April 22, 2004, it filed a petition for review before the CTA. The case was docketed as C.T.A. Case No. 6965.[7]

In its Answer,[8] respondent CIR averred that claims for refund were strictly construed against the taxpayer as it was similar to a tax exemption. It asserted that the burden to show that the taxes were erroneous or illegal lay upon the taxpayer. Thus, failure on the part of Kepco to prove the same was fatal to its cause of action because it was its duty to prove the legal basis of the amount being claimed as a tax refund.

During the hearing, Kepco presented court-commissioned Independent Certified Public Accountant, Victor O. Machacon, who audited their bulky documentary evidence consisting of official receipts, invoices and vouchers, to prove its claim for refund of unutilized input VAT.[9]

On February 26, 2007, the CTA Second Division ruled that out of the total declared zero-rated sales of ₱3,285,308,055.85, Kepco was only able to properly substantiate ₱1,451,788,865.52 as its zero-rated sales. After factoring, only 44.19% of the validly supported input VAT payments being claimed could be considered.[10] The CTA Division used the following computation in determining Kepco's total allowable input VAT:

Substantiated zero-rated sales to NPC		₱1,451,788,865.52
Divided by the total declared zero-rated sales	÷	3,285,308,055.85
Rate of substantiated zero-rated sales		44.19%[11]

Total Input VAT Claimed		₱11,710,868.86
Less:Disallowance		
(a) Per verification of the independent CPA	₱125,556.40	
(b) Per Court's verification	5,045,357.80	5,170,914.20
Validly Supported Input VAT		₱6,539,954.66
Multiply by Rate of Substantiated Zero-Rated Sales		44.19%
Total Allowed Input VAT		**₱2,890,005.96**[12]

The CTA Second Division likewise disallowed the ₱5,170,914.20 of Kepco's claimed input VAT due to its failure to comply with the substantiation requirement. Specifically, the CTA Second Division wrote:

> [i]nput VAT on purchases supported by invoices or official receipts stamped with TIN-VAT shall be disallowed because these purchases are not supported by "VAT Invoices" under the contemplation of the aforequoted invoicing requirement. To be considered a "VAT Invoice," the TIN-VAT must be printed, and not merely stamped. Consequently, purchases supported by invoices or official receipts, wherein the TIN-VAT are not printed thereon, shall not give rise to any input VAT. Likewise, input VAT on purchases supported by invoices or official receipts which are not NON-VAT are disallowed because these invoices or official receipts are not considered as "VAT Invoices." Hence, the claims for input VAT on purchases referred to in item (e) are properly disallowed.[13]

Accordingly, the CTA Second Division partially granted Kepco's claim for refund of unutilized input VAT for taxable year 2002. The dispositive portion of the decision[14] of the CTA Second Division reads:

> WHEREFORE, petitioner's claim for refund is hereby PARTIALLY GRANTED. Accordingly, respondent is ORDERED to REFUND petitioner the reduced amount of TWO

> MILLION EIGHT HUNDRED NINETY THOUSAND FIVE PESOS AND 96/100 (₱2,890,005.96) representing unutilized input value-added tax for taxable year 2002.
>
> SO ORDERED.[15]

Kepco moved for partial reconsideration, but the CTA Second Division denied it in its June 28, 2007 Resolution.[16]

On appeal to the CTA *En Banc*,[17] Kepco argued that the CTA Second Division erred in not considering ₱8,691,873.81 in addition to ₱2,890,005.96 as refundable tax credit for Kepco's zero-rated sales to NPC for taxable year 2002.

On February 20, 2008, the CTA *En Banc* dismissed the petition[18] and ruled that "in order for Kepco to be entitled to its claim for refund/issuance of tax credit certificate representing unutilized input VAT attributable to its zero-rated sales for taxable year 2002, it must comply with the substantiation requirements under the appropriate Revenue Regulations, i.e. Revenue Regulations 7-95."[19] Thus, it concluded that "the Court in Division was correct in disallowing a portion of Kepco's claim for refund on the ground that input taxes on Kepco's purchase of goods and services were not supported by invoices and receipts printed with "TIN-VAT."[20]

CTA Presiding Justice Ernesto Acosta concurred with the majority in finding that Kepco's claim could not be allowed for lack of proper substantiation but expressed his dissent on the denial of certain claims,[21] to wit:

> [I] dissent with regard to the denial of the amount ₱4,720,725.63 for nothing in the law allows the automatic invalidation of official receipts/invoices which were not imprinted with "TIN-VAT;" and further reduction of petitioner's claim representing input VAT on purchase of goods not supported by invoices in the amount of ₱64,509.50 and input VAT on purchase of services not supported by official receipts in the amount of ₱256,689.98, because the law makes use of invoices and official receipts interchangeably. Both can validly substantiate petitioner's claim.[22]

Hence, this petition alleging the following errors:

ASSIGNMENT OF ERRORS

I.

THE COURT OF TAX APPEALS *EN BANC* GRAVELY ABUSED ITS DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN IT HELD THAT NON-COMPLIANCE WITH THE INVOICING REQUIREMENT SHALL RESULT IN THE AUTOMATIC DENIAL OF THE CLAIM.

II.

THE COURT OF TAX APPEALS *EN BANC* GRAVELY ABUSED ITS DISCRETION AMOUNTING TO LACK OF EXCESS OF JURISDICTION WHEN IT DISALLOWED PETITIONER'S CLAIM ON THE GROUND THAT 'TIN-VAT' IS NOT IMPRINTED ON THE INVOICES AND OFFICIAL RECEIPTS.

III.

THE COURT OF TAX APPEALS *EN BANC* GRAVELY ABUSED ITS DISCRETION WHEN IT MADE A DISTINCTION BETWEEN INVOICES AND OFFICIAL RECEIPTS AS SUPPORTING DOCUMENTS TO CLAIM FOR AN INPUT VAT REFUND.[23]

At the outset, the Court has noticed that although this petition is denominated as Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, Kepco, in its assignment of errors, impugns against the CTA *En Banc* grave abuse of discretion amounting to lack or excess of jurisdiction, which are grounds in a petition for *certiorari* under Rule 65 of the Rules of Court. Time and again, the Court has emphasized that there is a whale of difference between a Rule 45 petition (*Petition for Review on Certiorari*) and a Rule 65 petition (*Petition for Certiorari*.) A Rule 65 petition is an original action that dwells on jurisdictional errors of whether a lower court acted without or in excess of its jurisdiction or with grave abuse of discretion.[24] A Rule 45 petition, on the other hand, is a mode of appeal which centers on the review on the merits of a judgment, final order or award rendered by a lower court involving purely questions of law.[25] Thus, imputing jurisdictional errors against the CTA is not proper in this Rule 45 petition. Kepco failed to follow the correct procedure. On this point alone, the Court can deny the subject petition outright.

At any rate, even if the Court would disregard this procedural flaw, the petition would still fail.

Kepco argues that the 1997 National Internal Revenue Code *(NIRC)* does not require the imprinting of the word zero-rated on invoices and/or official receipts covering zero-rated sales.[26] It claims that Section 113 in relation to Section 237 of the 1997 NIRC "does not mention the requirement of imprinting the words 'zero-rated' to purchases covering zero-rated transactions."[27] Only Section 4.108-1 of Revenue Regulation No. 7-95 *(RR No. 7-95)* "required the imprinting of the word 'zero-rated' on the VAT invoice or receipt."[28] "Thus, Section 4.108-1 of RR No. 7-95 cannot be considered as a valid legislation considering the long settled rule that administrative rules and regulations cannot expand the letter and spirit of the law they seek to enforce."[29]

The Court does not agree.

The issue of whether the word "zero-rated" should be imprinted on invoices and/or official receipts as part of the invoicing requirement has been settled in the case of *Panasonic Communications Imaging Corporation of the Philippines vs. Commissioner of Internal Revenue* [30] and restated in the later case of *J.R.A. Philippines, Inc. v. Commissioner*.[31] In the first case, Panasonic Communications Imaging Corporation *(Panasonic),* a VAT-registered entity, was engaged in the production and exportation of plain paper copiers and their parts and accessories. From April 1998 to March 31, 1999, Panasonic generated export sales amounting to US$12,819,475.15 and US$11,859,489.78 totaling US$24,678,964.93. Thus, it paid input VAT of ₱9,368,482.40 that it attributed to its zero-rated sales. It filed applications for refund or tax credit on what it had paid. The CTA denied its application. Panasonic's export sales were subject to 0% VAT under Section 106(A)(2)(a)(1) of the 1997 NIRC but it did not qualify for zero-rating because the word "zero-rated" was not printed on Panasonic's export
invoices. This omission, according to the CTA, violated the invoicing requirements of Section 4.108-1 of RR No. 7-95. Panasonic argued, however, that "in requiring the printing on its sales invoices of the word 'zero-rated,' the Secretary of Finance unduly expanded, amended, and modified by a mere regulation (Section 4.108-1 of RR No. 7-95) the letter and spirit of Sections 113 and 237 of the 1997 NIRC, prior to their amendment by R.A. 9337."[32] Panasonic stressed that Sections 113 and 237 did not necessitate the imprinting of the word "zero-rated" for its zero-rated sales receipts or invoices. The BIR integrated this requirement only after the enactment of R.A. No. 9337 on November 1, 2005, a law that was still inexistent at the time of the transactions. Denying *Panasonic's* claim for refund, the Court stated:

> Section 4.108-1 of RR 7-95 proceeds from the rule-making authority granted to the Secretary of Finance under Section 245 of the 1977 NIRC (Presidential Decree 1158) for the efficient enforcement of the tax code and of course its amendments. The requirement is reasonable and is in accord with the efficient collection of VAT from the covered sales of goods and services. As aptly explained by the CTA's First Division, the appearance of the word "zero-rated" on the face of invoices covering zero-rated sales prevents buyers from falsely claiming input VAT from their purchases when no VAT was actually paid. If, absent such word, a successful claim for input VAT is made, the government would be refunding money it did not collect.
>
> Further, the printing of the word "zero-rated" on the invoice helps segregate sales that are subject to 10% (now 12%) VAT from those sales that are zero-rated. Unable to submit the proper invoices, petitioner Panasonic has been unable to substantiate its claim for refund. [33]

Following said ruling, Section 4.108-1 of RR 7-95[34] neither expanded nor supplanted the tax code but merely supplemented what the tax code already defined and discussed. In fact, the necessity of indicating "zero-rated" into VAT invoices/receipts became more apparent when the provisions of this revenue regulation was later integrated into RA No. 9337,[35] the amendatory law of the 1997 NIRC. Section 113, in relation to Section 237 of the 1997 NIRC, as amended by RA No. 9337, now reads:

> SEC. 113. *Invoicing and Accounting Requirements for VAT-Registered Persons.* -
>
> (A) *Invoicing Requirements.* - A VAT-registered person shall issue:
>
> (1) A *VAT invoice* for every sale, barter or exchange of goods or properties; ***and***
>
> (2) A *VAT official receipt* for every lease of goods or properties, and for every sale, barter or exchange of services.
>
> (B) *Information Contained in the VAT Invoice or VAT Official Receipt.* - The following information shall be indicated in the VAT invoice or VAT official receipt:
>
> (1) A statement that the seller is a VAT-registered person, followed by his taxpayer's identification number (TIN);
>
> (2) The total amount which the purchaser pays or is obligated to pay to the seller with the indication that such amount includes the value-added tax: *Provided,* That:
>
> (a) The amount of the tax shall be shown as a separate item in the invoice or receipt;
>
> (b) If the sale is exempt from value-added tax, the term "**VAT-exempt sale**" shall be written or printed prominently on the invoice or receipt;
>
> (c) If the sale is subject to zero percent (0%) value-added tax, the term "**zero-rated sale**" shall be *written or printed prominently on the invoice or receipt*;
>
> (d) If the sale involves goods, properties or services some of which are subject to and some of which are VAT zero-rated or VAT-exempt, the invoice or receipt shall clearly indicate the breakdown of the sale price between its taxable, exempt and zero-rated components, and the calculation of the value-added tax on each portion of the sale shall be shown on the invoice or receipt: *Provided,* That the seller may issue separate invoices or receipts for the taxable, exempt, and zero-rated components of the sale.
>
> (3) The date of transaction, quantity, unit cost and description of the goods or properties or nature of the service; and
>
> (4) In the case of sales in the amount of one thousand pesos (P1,000) or more where the sale or transfer is made to a VAT-registered person, the name, business style, if any, address and taxpayer identification number (TIN) of the purchaser, customer or client.
>
> (C) *Accounting Requirements.* - Notwithstanding the provisions of Section 233, all persons subject to the value-added tax under Sections 106 and 108 shall, in addition to the regular accounting records required, maintain a subsidiary sales journal and subsidiary purchase journal on which the daily sales and purchases are recorded. The subsidiary journals shall contain such information as may be required by the Secretary of Finance.
>
> x x x x
>
> SEC. 237. *Issuance of Receipts or Sales or Commercial Invoices.* - All persons subject to an internal revenue tax shall, for each sale and transfer of merchandise or for services rendered valued at Twenty-five pesos (₱25.00) or more, issue duly registered receipts or sale or commercial invoices, prepared at least in duplicate, showing the date of transaction, quantity, unit cost and description of merchandise or nature of service: Provided, however, That where the receipt is issued to cover payment made as rentals, commissions, compensation or fees, receipts or invoices shall be issued which shall show the name, business style, if any, and address of the purchaser, customer or client.

> The original of each receipt or invoice shall be issued to the purchaser, customer or client at the time the transaction is effected, who, if engaged in business or in the exercise of profession, shall keep and preserve the same in his place of business for a period of three (3) years from the close of the taxable year in which such invoice or receipt was issued, while the duplicate shall be kept and preserved by the issuer, also in his place of business, for a like period.
>
> The Commissioner may, in meritorious cases, exempt any person subject to an internal revenue tax from compliance with the provisions of this Section. [Emphases supplied]

Evidently, as it failed to indicate in its VAT invoices and receipts that the transactions were zero-rated, Kepco failed to comply with the correct substantiation requirement for zero-rated transactions.

Kepco then argues that non-compliance of invoicing requirements should not result in the denial of the taxpayer's refund claim. Citing *Atlas Consolidated Mining & Development Corporation vs. Commissioner of Internal Revenue*,[36] it claims that a party who fails to issue VAT official receipts/invoices for its sales should only be imposed penalties as provided under Section 264 of the 1997 NIRC.[37]

The Court has read the *Atlas* decision, and has not come across any categorical ruling that refund should be allowed for those who had not complied with the substantiation requirements. It merely recited "Section 263" which provided for penalties in case of "Failure or refusal to Issue Receipts or Sales or Commercial Invoices, Violations related to the Printing of such Receipts or Invoices and Other Violations." It does not categorically say that the claimant should be refunded. At any rate, Section 264 (formerly Section 263)[38] of the 1997 NIRC was not intended to excuse the compliance of the substantive invoicing requirement needed to justify a claim for refund on input VAT payments.

Furthermore, Kepco insists that Section 4.108.1 of Revenue Regulation 07-95 does not require the word "TIN-VAT" to be imprinted on a VAT-registered person's supporting invoices and official receipts[39] and so there is no reason for the denial of its ₱4,720,725.63 claim of input tax.[40]

In this regard, Internal Revenue Regulation 7-95 (Consolidated Value-Added Tax Regulations) is clear. Section 4.108-1 thereof reads:

> Only VAT registered persons are required to print their TIN followed by the word "VAT" in their invoice or receipts and this shall be considered as a "VAT" Invoice. All purchases covered by invoices other than 'VAT Invoice' shall not give rise to any input tax.

Contrary to Kepco's allegation, the regulation specifically requires the VAT registered person to imprint TIN-VAT on its invoices or receipts. Thus, the Court agrees with the CTA when it wrote:

"[T]o be considered a 'VAT invoice,' the TIN-VAT must be printed, and not merely stamped. Consequently, purchases supported by invoices or official receipts, wherein the TIN-VAT is not printed thereon, shall not give rise to any input VAT. Likewise, input VAT on purchases supported by invoices or official receipts which are NON-VAT are disallowed because these invoices or official receipts are not considered as 'VAT Invoices.'"[41]

Kepco further argues that under Section 113(A) of the 1997 NIRC, invoices and official receipts are used interchangeably for purposes of substantiating input VAT.[42] Hence, it claims that the CTA should have accepted its substantiation of input VAT on (1) ₱64,509.50 on purchases of goods with official receipts and (2) ₱256,689.98 on purchases of services with invoices.[43]

The Court is not persuaded.

Under the law, a *VAT invoice* is necessary for every sale, barter or exchange of goods or properties while a *VAT official receipt* properly pertains to every lease of goods or properties, and for every sale, barter or exchange of services.[44] In *Commissioner of Internal Revenue v. Manila Mining Corporation*,[45] the Court distinguished an invoice from a receipt, thus:

> A "sales or commercial invoice" is a written account of goods sold or services rendered indicating the prices charged therefor or a list by whatever name it is known which is used in the ordinary course of business evidencing sale and transfer or agreement to sell or transfer goods and services.
>
> A "receipt" on the other hand is a written acknowledgment of the fact of payment in money or other settlement between seller and buyer of goods, debtor or creditor, or person rendering services and client or customer.

In other words, the VAT invoice is the seller's best proof of the sale of the goods or services to the buyer while the VAT receipt is the buyer's best evidence of the payment of goods or services received from the seller. Even though VAT invoices and receipts are normally issued by the supplier/seller alone, the said invoices and receipts, taken collectively, are necessary to substantiate the actual amount or quantity of goods sold and their selling price (*proof of transaction*), and the best means to prove the input VAT payments (*proof of payment*).[46] Hence, VAT invoice and VAT receipt should not be confused as referring to one and the same thing. Certainly, neither does the law intend the two to be used alternatively.

Although it is true that the CTA is not strictly governed by technical rules of evidence,[47] the invoicing and substantiation requirements must, nevertheless, be followed because it is the only way

to determine the veracity of Kepco's claims. Verily, the CTA *En Banc* correctly disallowed the input VAT that did not meet the required standard of substantiation.

The CTA is devoted exclusively to the resolution of tax-related issues and has unmistakably acquired an expertise on the subject matter. In the absence of abuse or reckless exercise of authority, [48] the CTA *En Banc*'s decision should be upheld.

The Court has always decreed that tax refunds are in the nature of tax exemptions which represent a loss of revenue to the government. These exemptions, therefore, must not rest on vague, uncertain or indefinite inference, but should be granted only by a clear and unequivocal provision of law on the basis of language too plain to be mistaken. Such exemptions must be strictly construed against the taxpayer, as taxes are the lifeblood of the government. [49]

WHEREFORE, the petition is **DENIED**.

SO ORDERED.

JOSE CATRAL MENDOZA
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

ANTONIO EDUARDO B. NACHURA **DIOSDADO M. PERALTA**
Associate Justice Associate Justice

ROBERTO A. ABAD
Associate Justice

A T T E S T A T I O N

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.

ANTONIO T. CARPIO
Associate Justice
Chairperson, Second Division

C E R T I F I C A T I O N

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.

RENATO C. CORONA
Chief Justice

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[1] *Rollo*, pp. 16-99.
[2] Id. at 100-129. Penned by Associate Justice Lovell R. Bautista with Associate Justices Juanito C. Castañeda, Jr., Erlinda P. Uy, Caesar A. Casanova and Olga Palanca-Enriquez concurring, and Presiding Justice Ernesto D. Acosta, concurring and dissenting.
[3] An Act Revising the Charter of the National Power Corporation.
[4] *Rollo*, p. 101.
[5] Id. at 102.
[6] Records, pp. 17-21.
[7] Id. at 1-10.
[8] Id. at 37-38.
[9] Id. at 91.
[10] *Roll*o, pp. 284-285.
[11] Id. at 285.
[12] Id. at 295-296.
[13] Id. at 295.
[14] Id. at 276-298.
[15] Id. at 296-297.
[16] Id. at 155-157.
[17] Records, Volume II, pp. 10-30.
[18] *Rollo*, pp. 100-120.
[19] Id. at 110.
[20] Id. at 119.
[21] Id. at 122-129.
[22] Id. at 129.
[23] Id. at 26.

[24] Rules of Court, Rule 65, Section 1.

[25] *De Castro v. Fernandez, Jr.,* G.R. No. 155041, February 14, 2007, 515 SCRA 682, 686.

[26] *Rollo*, p. 28.

[27] Id.

[28] Id. at 29.

[29] Id. at 31.

[30] G.R. No. 178090, February 8, 2010, 612 SCRA 28.

[31] G.R. No. 177127, October 11, 2010.

[32] *Panasonic Communications Imaging Corporation of the Philippines v. Commissioner of Internal Revenue*, G.R. No. 178090, February 8, 2010, 612 SCRA 28, 36-37.

[33] Id. at 36-37.

[34] Section 4.108.-1. Invoicing Requirements.-

All VAT registered persons shall for every sale or lease of goods or properties or services, issue duly registered receipts or sales or commercial invoices which must show:

1. the name, TIN and address of seller;
2. date of transaction;
3. quantity, unit cost and description of merchandise or nature of services;
4. the name, TIN, business style, if any, and address of service;
5. the ***word 'zero-rated' imprinted on the invoice covering zero-rated sales***; and
6. the invoice value or consideration.

X x x

Only VAT registered persons are required to print their TIN followed by the word 'VAT' in their invoice or receipts and this shall be considered as a "VAT Invoice." All purchases covered by invoices other than 'VAT Invoice' shall not give rise to any input tax.

If the taxable person is also engaged in exempt operations, he should issue separate invoices or receipts for the taxable and exempt operations. A "VAT Invoice" shall be issued only for sales of goods, properties or services subject to VAT imposed in Sections 100 and 102 of the Code.

The invoice or receipt shall be prepared at least in duplicate, the original to be given to the buyer and the duplicate to be retained by the seller as part of his accounting records.

[35] An Act Amending Sections 27, 28, 34, 106, 107, 108, 109, 110, 111, 112, 113, 114, 116, 117, 119, 121, 148, 151, 236, 237 and 288 of the National Internal Revenue Code of 1997, as amended, and for other purposes.

[36] 376 Phil. 495 (1999).

[37] *Rollo*, p. 58.

[38] Paragraph (b) (4) has been deleted.

[39] *Rollo*, p. 71.

[40] Id.

[41] Id. at 295.

[42] Id. at 85.

[43] Id. at 89.

[44] Section 113, 1997 National Internal Revenue Code, as amended.

[45] 505 Phil. 650, 665 (2005), citing Deoferio and Mamalateo, The Value Added Tax in the Philippines, 279 (1st ed., 2000).

[46] *Commissioner of Internal Revenue v. Manila Mining Corporation*, 505 Phil. 650, 666 (2005).

[47] Section 8, R.A. No. 1125 entitled "An Act Creating the Court of Tax Appeals," as amended.

[48] *KEPCO Philippines Corporation v. Commissioner of Internal Revenue*, G.R. No. 179356, December 14, 2009, 608 SCRA 207, 214 citing *Commissioner of Internal Revenue v. Cebu Toyo Corporation*, 491 Phil. 625, 640 (2005).

[49] *Silkair (Singapore) Pte. Ltd. v. Commissioner of Internal Revenue*, G.R. No. 184398, February 25, 2010.