

S E N A T E

COMMITTEE REPORT NO. 35

Submitted by the Committee on Ways & Means joint with the Committee on Justice and Human Rights and the Committee on Finance on JAN 28 2008

Re: S.B. No. 2009

Recommending its approval in substitution of S.B. Nos. 801 and 1485.

Sponsor: *Senator Francis G. Escudero*

MR. PRESIDENT:

The Committee on Ways & Means joint with the Committee on Justice and Human Rights and the Committee on Finance to which were referred Senate Bill No. 801, introduced by Senator Revilla, Jr., entitled:

**"AN ACT  
ENLARGING THE ORGANIZATIONAL STRUCTURE OF THE COURT OF  
TAX APPEALS, AMENDING FOR THE PURPOSE CERTAIN SECTIONS  
OF THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR  
OTHER PURPOSES"**

and Senate Bill No. 1485, introduced by Senator Escudero, entitled:

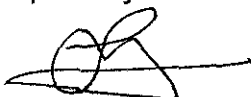
**"AN ACT  
FURTHER EXPANDING THE ORGANIZATIONAL STRUCTURE OF THE  
COURT OF TAX APPEALS, AMENDING FOR THE PURPOSE CERTAIN  
SECTIONS OF THE LAW CREATING THE COURT OF TAX APPEALS,  
AND FOR OTHER PURPOSES"**

have considered the same and have the honor to report the bills back to the Senate with the recommendation that the attached SB No. 2009 prepared by the Committees, entitled:

**"AN ACT  
FURTHER EXPANDING THE ORGANIZATIONAL STRUCTURE OF THE  
COURT OF TAX APPEALS, AMENDING FOR THE PURPOSE CERTAIN  
SECTIONS OF THE LAW CREATING THE COURT OF TAX APPEALS,  
AND FOR OTHER PURPOSES"**

be approved in substitution of Senate Bill Nos. 801 and 1485, with Senators Revilla, Jr. and Escudero as authors thereof.

Respectfully submitted:




**FRANCIS G. ESCUDERO**

*Chairman, Committee on Ways and Means  
Chairman, Committee on Justice and Human Rights  
Member, Committee on Finance*

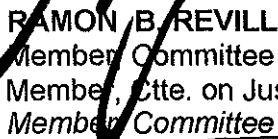



**JUAN PONCE ENRILE**  
*Chairman, Committee on Finance  
Vice-Chairman, Committee on Ways and Means  
Member, Committee on Justice and Human Rights*


  
**BENIGNO S. AQUINO III**  
Vice-Chairman  
Committee on Justice & Human Rights

  
**EDGARDO J. ANGARA**  
Vice-Chairman, Committee on Finance  
Member, Committee on Ways & Means


  
**RICHARD J. GORDON**  
Member, Committee on Ways & Means  
Member, Committee on Finance

  
**RAMON B. REVILLA, JR.**  
Member, Committee on Ways & Means  
Member, Ctte. on Justice & Human Rights  
Member, Committee on Finance

  
**JUAN MIGUEL F. ZUBIRI**  
Member, Committee on Ways & Means  
Member, Committee on Finance

  
**PIA S. CAYETANO**  
Member, Ctte. on Justice & Human Rights  
Member, Committee on Finance

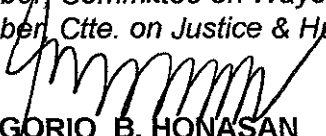
**ANTONIO F. TRILLANES IV**  
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Member, Committee on Finance

  
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Member, Committee on Ways & Means


  
**MIRIAM DEFENSOR SANTIAGO**  
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**LOREN B. LEGARDA**  
Member, Committee on Ways & Means  
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President Pro-Tempore

  
**FRANCIS N. PANGILINAN**  
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Minority Floor Leader

**HON. MANNY VILLAR**  
Senate President  
Pasay City

FOURTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

8 11 21

SENATE

RECEIVED BY: 

S.B. No. 2009

(In substitution of SB Nos. 801 and 1485)

Prepared by the Committees with Senators Revilla, Jr. and Escudero as authors thereof.

AN ACT

FURTHER EXPANDING THE ORGANIZATIONAL STRUCTURE OF THE COURT OF TAX APPEALS, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR OTHER PURPOSES

*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

1 **SECTION 1.** Section 1 of Republic Act No. 1125, as amended, is hereby further  
2 amended to read as follows:

3 "SECTION 1. *Court; Justices; Qualifications; Salary; Tenure.* - There is  
4 hereby created a Court of Tax Appeals (CTA) which shall be of the same  
5 level as the Court of Appeals, possessing all the inherent powers of a Court  
6 of Justice, and shall consist of a Presiding Justice and [~~five (5)~~] EIGHT (8)  
7 Associate Justices. The incumbent Presiding Judge and Associate Judges  
8 shall continue in office and bear the new titles of Presiding Justice and  
9 Associate Justices. The Presiding Justice and the TWO most Senior  
10 Associate JusticeS shall serve as chairmen of the [~~two (2)~~] THREE (3)  
11 Divisions. The additional three (3) Justices and succeeding members of the  
12 Court shall be appointed by the President upon nomination by the Judicial  
13 and Bar Council. The Presiding Justice shall be so designated in his  
14 appointment, and the Associate Justices shall have precedence according to  
15 the date of their respective appointments, or when the appointments of two  
16 (2) or more of them shall bear the same date, according to the order in which  
17 their appointments were issued by the President. They shall have the same  
18 qualifications, rank, category, salary, emoluments and other privileges, be  
19 subject to the same inhibitions and disqualifications, and enjoy the same

1 retirements and other benefits as those provided for under existing laws for  
2 the Presiding Justice and Associate Justices of the Court of Appeals.

3 "Whenever the salaries of the Presiding Justice and the Associate  
4 Justices of the Court of Appeals are increased, such increases in salaries  
5 shall be deemed correspondingly extended to and enjoyed by the Presiding  
6 Justice and Associate Justices of the CTA.

7 "The Presiding Justice and Associate Justices shall hold office during  
8 good behavior, until they reach the age of seventy (70), or become  
9 incapacitated to discharge the duties of their office, unless sooner removed  
10 for the same causes and in the same manner provided by law for members of  
11 the judiciary of equivalent rank."

12 **SEC. 2.** Section 2 of the same Act, as amended, is hereby further amended to read as  
13 follows:

14 "SEC. 2. *Sitting En Banc or Division; Quorum; Proceedings.* - The CTA  
15 may sit *en banc* or in [~~two (2)~~] THREE (3) Divisions, each Division consisting  
16 of three (3) Justices.

17 "[~~Four (4)~~] FIVE (5) Justices shall constitute a quorum for sessions *en*  
18 *banc* and two (2) Justices for sessions of a Division: *Provided*, That when the  
19 required quorum cannot be constituted due to any vacancy, disqualification,  
20 inhibition, disability, or any other lawful cause, the Presiding Justice shall  
21 designate any Justice of other Divisions of the Court to sit temporarily therein.

22 "The affirmative votes of [~~four (4)~~] FIVE (5) members of the COURT *EN*  
23 *BANC* SHALL BE NECESSARY TO REVERSE A DECISION OF A DIVISION  
24 BUT A SIMPLE MAJORITY OF THE JUSTICES PRESENT NECESSARY  
25 TO PROMULGATE A RESOLUTION OR DECISION IN ALL OTHER CASES  
26 or two (2) members of a Division, shall be necessary for the rendition of a  
27 decision or resolution IN THE DIVISION LEVEL."

28 **SEC. 3.** *Appropriations.* - The amount of Twenty Million Pesos (P20,000,000.00)  
29 necessary to carry out the provisions of this Act shall be appropriated immediately to be  
30 generated from whatever source that are available in the National Treasury, based on a

1 special supplemental budget to be submitted to Department of Budget and Management  
2 (DBM) which shall not exceed the herein appropriation.

3 **SEC. 4. *Repealing Clause.*** - All laws, executive orders, executive issuances or letter of  
4 instructions, or any part thereof, inconsistent with or contrary to the provisions of this Act  
5 are hereby deemed repealed, amended or modified accordingly.

6 **SEC. 5. *Separability Clause.*** - If for any reason, any section or provision of this Act shall  
7 be declared unconstitutional or invalid, the other parts thereof not affected thereby shall  
8 remain valid.

9 **SEC. 6. *Effectivity Clause.*** - This Act shall take effect after fifteen (15) days following its  
10 publication in at least two (2) newspapers of general circulation.

Approved,