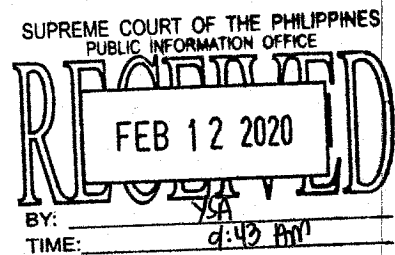




Republic of the Philippines
Supreme Court
Manila



FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated **January 15, 2020** which reads as follows:

“G.R. No. 249098 – PROVINCE OF PANGASINAN AND MARILOU E. UTANES, IN HER CAPACITY AS THE PROVINCIAL TREASURER OF PANGASINAN, petitioners, versus TEAM SUAL CORPORATION, respondent.

After a judicious review of the submission of the parties, the Court **RESOLVES TO DENY** the petition for review on *certiorari*¹ for failure of the petitioners to show that the Court of Tax Appeals *en banc* (CTA *EB*) committed a reversible error in the assailed Decision² dated August 30, 2019 in CTA *EB* No. 1883, which affirmed the CTA Division’s ruling nullifying and setting aside the assessment for local transfer tax on the alleged transfer of machineries and buildings of respondent’s Sual Power Plant, for lack of legal and factual bases.

The CTA *EB* correctly ruled that no local transfer tax under Section 135(a)³ of the Local Government Code may be imposed upon respondent because no sale, donation, barter or any other mode of transferring ownership or title of real property occurred in this case.

- over – three (3) pages ...

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¹ *Rollo*, pp. 3-19.

² *Id.* at 21-36. Penned by Associate Justice Juanito C. Castañeda, Jr. with Presiding Justice Roman G. Del Rosario and Associate Justices Erlinda P. Uy, Esperanza R. Fabon-Victorino, Cielito N. Mindaro-Grulla, Ma. Belen M. Ringpis-Liban, Catherine T. Manahan, Jean Marie A. Bacorro-Villena and Maria Rowena Modesto-San Pedro, concurring.

³ SEC.135. *Tax on Transfer of Real Property Ownership.* - (a) The province may impose a tax on the sale, donation, barter, or on any other mode of transferring ownership or title of real property at the rate of not more than fifty percent (50%) of one percent (1%) of the total consideration involved in the acquisition of the property or of the fair market value in case the monetary consideration involved in the transfer is not substantial, whichever is higher. The sale, transfer or other disposition of real property pursuant to R.A. No. 6657 shall be exempt from this tax.

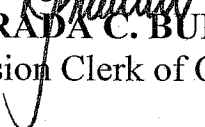

The change of respondent's name from Mirant Sual Corporation to Team Sual Corporation, which was approved by the Securities and Exchange Commission, did not result in a new corporate entity. A mere change in the name of a corporation is not a divestiture of title or such a change as requires a regular transfer of title to property, whether real or personal, from the corporation under one name to the same corporation under another name.⁴ Respondent remains to be the original corporation but with a different name. Its properties, the rights, privileges and obligations previously acquired or incurred by it are not affected.

Similarly, the change in the ownership and control of respondent, through the sale of its shares, did not result in the transfer of ownership of respondent's properties. Because a corporation possesses a personality separate and distinct from its shareholders, a shift in the composition of respondent's shareholders does not affect its existence and continuity.⁵ Respondent continues, as before, to be the legal owner, under its new name, of the subject properties.

WHEREFORE, the Court finds no cogent reason to reverse and set aside the findings of the Court of Tax Appeals *en banc*. The assailed *Decision* dated August 30, 2019 in CTA EB No. 1883 is hereby **AFFIRMED**.

SO ORDERED.”

Very truly yours,


LIBRADA C. BUENA
Division Clerk of Court 
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PROVINCIAL LEGAL OFFICE
Counsel for Petitioners
Capitol Compound, Lingayen
2401 Pangasinan

Court of Tax Appeals
National Government Center
Diliman, 1101 Quezon City
(CTA EB No. 1883)
(CTA AC No. 173)

- over -

⁴ *Phil. First Insurance Co., Inc. v. Hartigan*, 145 Phil. 310, 325-326 (1970).
⁵ See *SME Bank, Inc. v. De Guzman*, 719 Phil. 103, 125-126 (2013).

PUNO AND PUNO
Counsel for Respondent
33rd Floor, The Podium West Tower
12 ADB Avenue, Ortigas Center
1550 Mandaluyong City

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