April 3, 2018

BIR RULING NO. 592-18

Sec. 4, Tax Code, as amended

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Sir :

This refers to your letter dated July 8, 2013 which was indorsed and received by this Office on December 12, 2013 requesting for this Office's opinion regarding the valuation of non-income bearing properties for taxation purposes.

The subject matter of the letter involves questions on valuation of a road lot and basement parking which were made by the Assessor's office of the concerned Local Government Unit particularly the appropriateness of valuing the road lot the same as adjoining commercial lots.

Please be informed that the questions regarding valuation of real properties for local tax purposes is within the jurisdiction of Local Government Units over which the real properties are located. The Commissioner of Internal Revenue has no authority over issues covering local taxes. The National Internal Revenue Code of 1997, as amended, provides:

> "**SECTION 4. Power of the Commissioner to Interpret Tax Laws and to Decide Tax Cases. —**
>
> The power to interpret the provisions of this Code and other tax laws shall be under the exclusive and original jurisdiction of the Commissioner, subject to review by the Secretary of Finance.
>
> The power to decide disputed assessments, refunds of internal revenue taxes, fees or other matters arising under this Code or other laws or portions thereof administered by the Bureau of Internal Revenue is vested in the Commissioner, subject to the exclusive appellate jurisdiction of the Court of Tax Appeals."

In this line, it is the humble recommendation of this Office that the letter be directed to the Local Government Unit where the properties are located for it is the proper

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Office to answer and clarify the basis for the questioned valuation of the real properties as declared in the corresponding tax declarations.

Very truly yours,

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

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