

Prescription as a Defense in Tax Cases

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This Article is intended to serve as a guide towards the better understanding and application of prescription as a defense against tax liability. Academically speaking, prescription becomes more lustrous when it is reconciled with the fact that injunctive remedies are not generally applied in tax cases. To facilitate the discussion, the Author discusses how prescription works by examining the procedure by which taxes are assessed, collected, and enforced.

Part I presents the pertinent provisions of the National Internal Revenue Code (NIRC) regarding the procedure in assessing taxes against a taxpayer. Part II discusses how a taxpayer can protest said assessment via administrative proceedings. Part III presents judicial collection of taxes — that is, collection through civil and criminal proceedings.

In the Article's conclusion, the Author emphasizes the following observations:

- (1) the need to raise prescription at the soonest possible time either administratively or judicially for it to prosper as a valid defense; and
- (2) if the Government invokes the defense of prescription to resist liability, then such a ground can be raised even in the Supreme Court for the first time, when the plaintiff's own allegations provide the evidentiary basis for invoking the defense.