BIR Biñan Shutters 3 Establishments

The BIR through Revenue District Office (RDO) No. 057- West Laguna in the City of Binan, Laguna of Revenue Region (RR) No. 9B-LaQueMar temporarily closed last January 18, 2019 the operations of the business establishments owned and operated by a certain Ms. Gina Vela Cruz Espina for violating the provisions on Value Added Tax (VAT) of the National Internal Revenue Code of 1997, as amended.

Simultaneously closed were three (3) hardware stores of G.V.E. trading whose main store is located at Blk. 1 Lot 4 Main Road, Juana Complex, San Francisco. Its two (2) branches are located at Blk. 2 Lot 42 also in Juana Complex and the unregistered branch at Haling Road, San Francisco, all in the City of Binan, Laguna.

The closure orders for the three establishments were signed by Deputy Commissioner Arnel SD. Guballa after its owner, Gina Vela Cruz Espina, failed to comply with the requirements specified in the 48-hour notice and 5-day Value Added Tax (VAT) compliance notice.

The temporary closure resulted from the 10-day overt surveillance conducted on site by Revenue Officers of RDO 57 in compliance with the Mission Order issued by Regional Director Edgar B. Tolentino.

Data gathered during the investigation when matched with what Ms. Espina has declared to the BIR showed that she substantially under declared her sales by 49%.

Section 115 of the Tax Code, as implemented through the Revenue Memorandum Order No. 03-2009, authorizes the BIR to suspend or close the business operations of a taxpayer for a period of not less than five (5) days for failure to: (1) register; (2) issue VAT Official Receipts or Sales Invoices; (3) file correct VAT returns; or (4) pay the correct VAT.

Despite the service of the required notices, Ms. Espina failed to rectify her violations and pay the VAT liabilities prompting RDO 57 to recommend the said closures. The recommendation was concurred by the Regional Evaluation Board of RR 9B-LaQueMar headed by the Regional Director Edgar B. Tolentino.

The closure orders were implemented by newly-installed Regional Director Jethro M. Sabariaga together with Marlon M. Mendoza, Chief Legal Division, Sheryll P. Cacayuran, Asst. Chief, Legal Division, RDO Antonino L. Ilagan, Levi D. Visaya, Chief Assessment Section, Group Supervisors, and Revenue Officers in accordance
with the Oplan Kandado Program of the BIR under the current leadership of Commissioner Caesar R. Dulay. (reytdlc)

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Approved for Release: For the Commissioner of Internal Revenue:

(Original Signed)

GAUDENCIO A. MENDOZA, JR., Chief Legal Counsel

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