

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 1559

Introduced by **HON. DANILO E. SUAREZ**

EXPLANATORY NOTE

The registration fee of motor vehicles, both private and for hire, was adjusted through the enactment of Republic Act 8794 through the imposition of motor vehicle user's charge (MVUC). The former rates which were more-than-a-decade old were adjusted one hundred percent in four years to cushion the impact. However, these rates, should have been adjusted, at that time, at around three hundred percent to reflect the impact of inflation since 1978 and the deterioration of the roads through the years because of excessive usage. The funds raised from the increase of the MVUC or vehicle registration fees were dedicated for the improvement of the roads, road safety and vehicle pollution control.

After nearly four years of implementation of R.A. 8794, it can be said that the road condition really improved and travel became a lot easier and more convenient to our commuters. However, there are still much to be done for the road system in the country, both in the national and local roads. Among them are building new roads while improving/ maintaining the existing ones and ensuring road safety. The national government lacks the finances to realize these undertakings because of its bourgeoning budgetary deficit.

Hence, all sources of revenues must be tapped to be able to deliver continuous service to our people, especially road use. At the same time, road users shall have the obligation to compensate accordingly their day-to-day road usage. Thus, another round of adjustment, in a staggered manner, is being proposed for the motor vehicle user's charge. This is to achieve a closer value of increase the MVUC should have in year 2000. A four-year distribution of a one hundred percent increase is deemed as an easier manner of payment than a one-time increase. In this way the impact of an increase in the annual MVUC to our vehicle owners is calibrated to be more just and lighter.

The immediate passage of this measure is earnestly sought.

REP. DANILO E. SUAREZ
3rd District, Quezon

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AN ACT AMENDING SEC. 3 OF REPUBLIC ACT NO. 8794 AND FOR OTHER PURPOSES

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

SECTION 1. Section 3 of Republic Act No. 8794 is hereby amended to read as follows:

"SEC. 3. Rates of Motor Vehicle User's Charge. – (a) For private passenger cars registered as of effectivity of this Act, the MVUC to be paid shall be (i) the private motor vehicle tax under Executive Order No. 43, series of 1986, AS ADJUSTED BY R.A. 8794, AND (ii) THE MVUC RATES AFTER THE FIRST FOUR YEARS OF IMPLEMENTATION OF R.A. 8794, WHICHEVER IS APPLICABLE, plus twenty-five percent (25%) for the first year, fifty percent (50%) for the second year, seventy-five percent (75%) for the third year, and one hundred percent (100%) for the fourth year and thereafter: *Provided, however*, That private passenger cars to be registered for the first time after the effectivity of this Act, shall be subject to the MVUC rates prescribed in Section 3(b) hereof.

"(b) Except as provided under Sec. 3 (a) hereof, for each motor vehicle under each of the categories as herein provided, the MVUC shall be collected from and paid by the vehicle owner, at the following CURRENT RATES WHICH SHALL SERVE AS base rates plus twenty-five percent (25%) in the first year from the effectivity of this Act; the said base rates plus fifty percent (50%) in the second year from the effectivity of this Act; the said base rates plus seventy-five percent (75%) in the third year from the effectivity of this Act; and the said base rates plus one hundred percent (100%) in the fourth year from the effectivity of this Act and thereafter: *Provided*, That the MVUC for sports utility vehicles shall be fifteen percent (15%) higher than the MVUC herein set for private utility vehicles: Provided, further, That motorcycles for hire with sidecars shall not pay more than [Three] FIVE hundred pesos [(P300.00)] (P500.00).

II. For Hire		
A. Passenger Cars		
(1) GVW up to 1,600 kgs.	[P450]	P 900
(2) GVW more than 1,600 kgs. – 2,300 kgs.	[900]	1,800
(3) GVW more than 2,300 kgs.	[2,500]	5,000
B. Utility Vehicles		
GVW up to 4,500 kgs.	[P 15 per 100 kgs. GVW]	[P30 per 100 kgs. GVW
C. Motorcycles		
without sidecar	[P 150]	P 300
with sidecar	[P 240]	480
D. Buses		
GVW more than 4,500 kgs	[P 15 per 100 kgs. GVW]	[P30 per 100 kgs. GVW
E. Trucks		
GVW more than 4,500 kgs	[P900 + P12 per 100 kgs. of GVW over 2,700 kgs.]	P 1800 + P12 per 100 kgs. of GVW over 2,700 kgs.
F. Trailers		
GVW more than 4,500 kgs	[P12 per 100 kgs. of GVW]	P24 per 100 kgs. of GVW

SEC. 2. *Implementing Rules and Regulations.* - Within thirty (30) days from the effectivity of this Act, the Secretaries of the Department of Public Works and Highways and the Department of Transportation and Communication shall jointly promulgate the rules and regulations for the effective implementation of this Act.

SEC. 3. *Repealing Clause.* - All laws, decrees, orders, circulars, issuances, rules and regulations or parts thereof, which are inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 4. *Effectivity.* – This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved,