

Republic of the Philippines
House of Representatives
Quezon City

15th CONGRESS
FIRST REGULAR SESSION

HOUSE BILL NO. 1351

Introduced by: Hon. Aurora Enerio-Cerilles

EXPLANATORY NOTE

Republic Act 8794 otherwise known as the Road User's Tax Law was signed on June 27, 2000 in which the collectibles are to be used mainly "*to provide for and ensure the adequate maintenance of national and provincial roads*" as stated in Section 1 of this law.

Ten years is a long time. The present disposition of RA 8794 is being questioned by all sectors of our society. And really, there is a general impression that the present system is full of corruption. There is inequity in the distribution of funds as dispensed by the Road Board. As a matter of fact, there is a clamor from the public to revisit the Road user's tax law.

This proposed bill seeks to amend some portion of RA 8794 to give justice to the original intention of the framers of this law which is also to provide funds for the maintenance of **provincial roads**. The proposed amendment will direct all money collected to the general fund of the National Government. It will be the Congress of the Philippines who will later judiciously allocate the money. Thus, making it transparent and accountable.

I earnestly seek the immediate passage of this very urgent and important amendment bill.


AURORA ENERIO-CERILLES

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**AN ACT AMENDING REPUBLIC ACT NO. 8794 OTHERWISE KNOWN AS
THE ROAD USER'S TAX LAW**

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

SECTION 1. Section 7 of Republic Act No. 8794 otherwise known as the "Road
User's Tax Law" is hereby amended to read as follows:

"Section 7. *Disposition of Monies Collected.* — All monies collected under this
Act shall [be earmarked solely and used exclusively (1) for road maintenance
and the improvement of road drainage, (2) for the installation of adequate and
efficient traffic lights and road safety devices, and (3) for air pollution control.

All such monies collected shall be deposited in four (4) special trust accounts in
the National Treasury, namely: (1) Special Road Support Fund; (2) Special Local
Road Fund; (3) Special Road Safety Fund; and (4) Special Vehicle Pollution
Control Fund. The distribution of collections under this Act shall be as follows:

(1) Eighty percent (80%) shall be allotted to and placed in the Special Road
Support Fund;

(2) Five percent (5%) shall be allotted to and placed in the Special Local Road
Fund;

(3) Seven and one-half percent (7.5%) shall be allotted to and placed in the
Special Road Safety Fund; and

(4) Seven and one-half percent (7.5%) shall be allotted to and place in the Special
Vehicle Pollution Control Fund.

The Special Road Support Fund, the Special Local Road Fund and the Special
Road Safety Fund shall be under the DPWH, whereas the Special Vehicle
Pollution Control Fund shall be under the DOTC.

Seventy percent (70%) of the Special Road Support Fund shall be used
exclusively for the maintenance of, and the improvement of drainage of, national
primary roads. The remaining thirty percent (30%) thereof shall be allocated and
used for the maintenance, and improvement of drainage of national secondary
roads throughout the country.

The cost of installation of adequate and efficient traffic lights and road safety
devices throughout the country, where such traffic lights and safety devices are
needed, shall be taken from the Special Road Safety Fund.

The Special Local Road Fund shall be apportioned to provincial and city
governments in accordance with the vehicle population and size of the road

1 network under their respective jurisdictions, and shall be used exclusively for
2 maintenance of local roads, traffic management and road safety devices.

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4 A Road Board to implement the prudent and efficient management and utilization
5 of the special funds shall be organized by the President of the Philippines. The
6 Road Board shall be composed of seven (7) members, with the Secretary of the
7 DPWH as ex officio head, and the secretaries of the Departments of Finance,
8 Budget and Management, and Transportation and Communications, as ex officio
9 members. The remaining three (3) members shall come from transport and
10 motorist organizations which have been in existence and active for the last five
11 (5) years prior to this Act. They shall be appointed for a term of two (2) years
12 each by the President of the Philippines upon the recommendation of the
13 secretaries of the DPWH and the DOTC.] **GO TO THE GENERAL FUND OF**
14 **THE NATIONAL GOVERNMENT IF THE LAND TRANSPORTATION OFFICE**
15 **(LTO) IS LOCATED IN HIGHLY URBANIZED CITIES. HOWEVER, IF THE**
16 **LAND TRANSPORTATION OFFICE IS LOCATED IN THE COMPONENT CITY**
17 **OR MUNICIPALITY OF A PROVINCE, FIFTY PERCENT (50%) OF THE TOTAL**
18 **COLLECTION SHALL GO TO A SPECIAL TRUST FUND OF THE SAID**
19 **PROVINCE FOR THE REPAIR, MAINTENANCE, AND IMPROVEMENT OF**
20 **PROVINCIAL ROADS TO INCLUDE IMPROVEMENT OF ROAD DRAINAGE,**
21 **INSTALLATION OF ADEQUATE AND EFFICIENT TRAFFIC LIGHTS AND**
22 **ROAD SAFETY DEVICES, AND AIR POLLUTION CONTROL. SUCH MONEY**
23 **OF THE SPECIAL TRUST FUND SHALL BE ALLOCATED BY THE**
24 **SANGGUNIANG PANLALAWIGAN."**

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26 **Section 2. Effectivity.** - This Act shall take effect fifteen (15) days upon its
27 publication in at least two (2) national newspapers of general circulation.

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