

FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES
H. No. 3526

Introduced by **Representative Teodorico T. Haresco Jr.**

EXPLANATORY NOTE

Article II, Section 16 of the 1987 Philippine Constitution mandates that “the State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.”

Article XIV, Section 12 of the Philippine Constitution also provides that, “Congress may provide for incentives, including tax deductions, to encourage private participation in programs of basic and applied scientific research.”

The Philippines is a climate hotspot and is vulnerable to some of the worst manifestations of climate change. Climate change, which refers to any significant change in measure of climate (such as temperature, precipitation, or wind) lasting for an extended period (decades or longer), may perhaps be the gravest issue confronting the world right now. As an archipelago and a biodiversity hotspot, the Philippines is faced with the huge challenge of protecting our environment and our people from the worst manifestations of climate change.

In 2000, Southeast Asia contributed 12 percent to the world’s total Greenhouse Gas (GHG) emission. Indonesia was recorded to have produced 59 percent of—the highest in—the entire region’s GHG emission; followed by Thailand with six percent; the Philippines with four percent and Vietnam with two percent. Today, even if we completely stop emitting GHG, the effects of global warming will not be prevented.

According to the Asian Development Bank (ADB), the Philippines is one of four Southeast Asian countries likely to experience wider economic contraction of six percent by 2100 because of environmental risks. ADB further inferred that this environmental phenomenon would shave off \$230 billion from, or 6.7 percent of, the region's gross domestic product (GDP). Furthermore, the economic backslide of climate change is worse for these four Southeast Asian states (Philippines, Thailand, Indonesia and Vietnam) because they have dense population in coastal areas, they are agriculture-driven, and they have a frail adaptation backbone.

For these aforementioned reasons, the government must come up with measures to make the green movement a mainstream effort. The United Nations (UN) is promoting the use of cleaner technologies which are more environment-friendly and energy efficient. Innovations such as electronic vehicles or e-vehicles should be encouraged because it will significantly lessen air pollution. E-vehicles, unlike regular automobiles which are the major source of GHG, emit no tailpipe carbon dioxide or other pollutants.

This Bill seeks to foster a "green society" by promoting the use of e-vehicles through the exemption of these electronic automobiles from the payment of road user's tax.


HON. TEODORICO T. HARESCO JR.
Representative

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AN ACT
EXEMPTING USERS OF ELECTRONIC VEHICLES
FROM THE PAYMENT OF THE ROAD USER'S TAX

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

1 **SECTION 1. Short Title.** - This Act shall be known as the "E-Vehicle Road User's Tax
2 Exemption Act of 2010."

3 **SECTION 2. Declaration of Policy.** -It is the policy of the State to afford full protection
4 and the advancement of the right of the people to a healthful ecology in accord with
5 the rhythm and harmony of nature. In this light, the State has adopted the Philippine
6 Agenda 21 framework which espouses sustainable development, to fulfill human
7 needs while maintaining the quality of the natural environment for current and future
8 generations.

9 As a party to the United Nations Framework Convention on Climate Change,
10 the State adopts the ultimate objective of the Convention which is the stabilization of
11 greenhouse gas concentrations in the atmosphere at a level that would prevent
12 dangerous anthropogenic interference with the climate system which should be
13 achieved within a time frame sufficient to allow ecosystems to adapt naturally to
14 climate change, to ensure that food production is not threatened and to enable
15 economic development to proceed in a sustainable manner.

16 The Motor Vehicles User's Tax, as mandated by Republic Act 8794, replaced
17 the motor vehicles' registration fee since it was imposed in 2000. Section 7 of the law
18 provides that monies collected from the road user's tax can be earmarked solely and
19 used exclusively (1) for road maintenance and the improved of the road drainage, (2)

1 for the installation of adequate and efficient traffic lights and road safety devices, and
2 (3) for the air pollution control.

3 **SECTION 3. *Definition of Terms.*** - As used in this Act, the following terms shall mean:

4 (a) E-vehicle - or electronic vehicle shall refer to any vehicle that uses electric
5 motors for propulsion; this does not include motor vehicles propelled by gasoline or
6 diesel engines or hybrid motor vehicles that are powered by more than one power
7 source

8 (b) Emission - means any air contaminant, pollutant, gas stream or unwanted
9 sound from a known source which is passed into the atmosphere

10 **SECTION 4. *Tax exemption.*** - Electric vehicles shall be exempted from the payment
11 of the road user's tax .

12 **SECTION 5. *Separability Clause.*** - If any provision, or part hereof is held invalid or
13 unconstitutional, the remainder of the law or the provision not otherwise affected shall
14 remain valid and subsisting.

15 **SECTION 6. *Repealing Clause.*** - Any law, presidential decree or issuance, executive
16 order, letter of instruction, administrative order, rule or regulation contrary to or
17 inconsistent with, the provisions of this Act is hereby repealed, modified, or amended
18 accordingly.

19 **SECTION 7. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its
20 publication in at least two (2) newspapers of general circulation.

21 *Approved,*