

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **711**



INTRODUCED BY REPRESENTATIVE TOBIAS "TOBY" M. TIANGCO

EXPLANATORY NOTE

This bill seeks to amend Republic Act No. 8794 otherwise known as the *Motor Vehicle User's Charge* or more commonly known as the Road Users Tax. R.A. 8794 is applicable to owners of all types of vehicles, whether for hire, or for private and, even for government use.

The money collected shall be deposited to four trust accounts in the national treasury namely, road support (road maintenance and improvement of road drainage), local road funds, vehicle pollution control funds and road safety funds (installation of traffic lights and other safety devices).

This bill seeks to amend R.A. 8794 by exempting motorcycles with sidecar ("tricycle") from the coverage of the road users tax to lessen the financial burden of tricycle drivers. The average amount earned by tricycle drivers of PhP150 to PhP200 daily is not adequate to sustain the family's basic needs. The additional motor user's vehicle charge is an additional burden which they can hardly afford considering their meager earnings. Their exemption from the payment of the road user's charge will help uplift their living condition.

Further, considering that the motor vehicle users charge is earmarked primarily for the maintenance of national roads, these tricycle drivers hardly benefit from the same as they are not allowed on national roads, and instead, ply side streets.

In view of the foregoing, the approval of this Bill is earnestly sought.


TOBIAS "TOBY" M. TIANGCO

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HOUSE BILL NO. 711

INTRODUCED BY REPRESENTATIVE TOBIAS "TOBY" M. TIANGCO

**AN ACT AMENDING SECTIONS 2 AND 3 (B) OF REPUBLIC ACT NO. 8794,
OTHERWISE KNOWN AS "AN ACT IMPOSING A MOTOR VEHICLE USER'S
CHARGE ON OWNERS OF ALL TYPES OF MOTOR VEHICLES
AND FOR OTHER PURPOSES"**

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

SECTION 1. Section 2 of Republic Act No. 8794, otherwise known as "*An Act imposing a motor vehicle user's charge on owners of all types of motor vehicles and for other purposes*" is hereby amended to read as follows:

Section 2. *Coverage.*- In lieu of the registration fee under Section 8 Republic Act No. 4136, as amended by Batas Pambansa Bilang 74, and the Private Motor Vehicle Tax under Executive Order No. 43, series of 1986, there is hereby imposed on every motor vehicle, whether for hire or for private use, including government motor vehicles as more fully provided in section 3 hereof, a Motor Vehicle User's Charge (MVUC) which shall be collected from and paid by the owner of the motor vehicle, EXCEPT MOTORCYCLES FOR HIRE WITH SIDECAR USED AS A MEANS OF LIVELIHOOD.

SECTION 2. Section 3 (b) of RA No. 8794 is hereby amended to read as follows:

b) Except as provided under Section 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 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-hundred pesos (300.00).]

Type of Vehicle	Base Rates
I. Private and Government	
A. Passenger Cars	
1. GVW up to 1,600 kgs.	PhP 800
2. GVW more than 1,600 kgs. - 2,300 kgs.	PhP 1,800
3. GVW more than 2,300 kgs.	PhP 4,000
B. Utility Vehicles	
1. GVW up to 2,700 kgs.	PhP 1,000
2. GVW more than 2,700 kgs.-4,500 kgs.	PhP 1,000 + PhP 20 per 100 kgs. of GVW over 2,700 kgs.
C. Motorcycles	
1. without sidecar	PhP 120
2. [with sidecar	PhP 150]
D. Buses	
GVW more than 4,500 kgs. kgs. of GVW over 2,700 kgs.	PhP 900 + PhP 12 per 100 kgs. of GVW over 2,700 kgs
E. Trucks	
GVW more than 4,500 kgs.	PhP 900 + PhP 12 per 100 kgs. of GVW over 2,700 kgs
F. Trailers	
GVW more than 4,500 kgs	PhP 12 per 100 kgs. of GVW
II. For Hire	
A. Passenger Cars	
1. GVW up to 1,600 kgs.	PhP 450
2. GVW more than 1,600 kgs. - 2,300 kgs.	PhP 900
3. GVW more than 2,300 kgs.	PhP 2,500
B. Utility Vehicles	
1. GVW up to 2,700 kgs.	PhP 15 per 100 kgs. of GVW
C. Motorcycles	
1. without sidecar	PhP 150
2. [with sidecar	PhP 240]

D. Buses
GVW more than 4,500 kgs.

PhP 15 per 100 kgs. of
GVW

E. Trucks
GVW more than 4,500 kgs.

PhP 900 + PhP 12 per
100 kgs. of GVW over
2,700 kgs

F. Trailers
GVW more than 4,500 kgs GVW

PhP 12 per 100
kgs. of GVW

SECTION 3. *Separability Clause* - If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SECTION 4. *Repealing Clause* - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provision of this act is hereby repealed, modified or amended accordingly.

SECTION 5. *Effectivity Clause*. - This Act shall take effect fifteen (15) days from the date of its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,