

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City**

**SEVENTEENTH (17TH) CONGRESS
First Regular Session**

HOUSE BILL NO. 4905



Introduced by Representative Manuel Monsour T. Del Rosario III

EXPLANATORY NOTE

Tricycles play an important role in the community. They transport workers to their workplaces, students to schools, market goers to the marketplace, and commuters to places not plied by jeepneys and other common carriers. Their importance is particularly felt in many remote barangays where they serve as the sole means of transportation.

Most tricycle drivers are low wage earners who earn a daily net income ranging from P100 to P200, barely enough to buy basic necessities. Considering their meager income, the rising cost of basic provisions and the increasing outlays for maintenance and repair, spare parts and gasoline, the income of tricycle operators and drivers needs to be augmented and their tax burden reduced.

The tricycle sector comprises an estimated one million units, excluding "colorums". Notwithstanding their vast number, the sector lies at the bottom of the totem pole of distinction among public-transport groups largely because they are less vocal, less critical and less organized as the more vociferous jeepney groups. As such, the plight of the tricycle sector has not reached a critical level of public awareness.

Yet, despite being marginalized, tricycles contribute P300 per unit to the road users' tax, or P300 million a year, 80 percent of which goes to the repair of national roads. This is iniquitous because tricycles are banned from using national roads. And even if allowed, their weights certainly cannot damage these roads.

On the principle that taxes should, in return, benefit the taxpayer in the form of services, the tricycle sector gets virtually nothing. It benefits partly from the five percent spent on local road repair. Another 7.5 percent goes to traffic lights and signs, foot bridges, among others, benefiting more motorists and commuters that use main roads. The balance of 7.5 percent goes to a Special Vehicle Pollution Control Fund, which remains untapped.

The amount of Motor Vehicle User's Charge (MVUC) exacted from a poor tricycle driver slashes a big piece of the earning that could have fed his family for a day. In order to lessen their financial burden, this bill seeks to amend the MVUC Act to exempt tricycles from its coverage.

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


MANUEL MONSOUR T. DEL ROSARIO III

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**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 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 Republic Act No. 8794 is hereby amended to read as follows:

“Section 3. Rates of the Motor Vehicle User’s Charge. –

x x x

(b) Except as provided under 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 said base rates plus one hundred percent (100%) in the fourth year from the effectivity of this Act and their after: Provided, That the MVUC for the 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.	P800
(2) GVW more than 1,600 kgs. – 2,300 kgs.	1,800
(3) GVW more than 2,300 kgs.	4,000
B. Utility Vehicles	
GCW up to 2,700 kgs.	P1,000
GVW more than 2,700 kgs. – 4,500 kgs.	1,000 +P20 per 100 kgs. of GCW over 2,700 kgs.
C. Motorcycles	
Without sidecar	P120
[With side car	150]

x x x

II. For Hire

A. Passenger Cars	
(1) GVW Up to 1,600 kgs.	P450
(2) GVW more than 1,600 kgs. – 2,300 kgs.	900
(3) GVW more than 2,300 kgs.	2,500
B. Utility Vehicles	
GCW up to 4,500 kgs.	P15 per 100 Kgs. Of GVW
C. Motorcycles	
Without sidecar	P150
[With side car	240]

x x x

Section 3. Separability Clause. – If any provision or part of this Act, or the application thereof to any person or circumstances, is held invalid or unconstitutional, the remaining sections of this Act or the application of such provision or part hereof to other persons or circumstance shall remain in full force and effect.

Section 4. *Repealing Clause.* – All laws, decrees, orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Section 5. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,