

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
1st Regular Session

House Bill No. 5489



Introduced by **Rep. CESAR V. SARMIENTO**

EXPLANATORY NOTE

There are at least 2.5 million registered cars in Metro Manila, and more in other metropolitan areas such as Metro Cebu and Davao.

This bill recognizes the need to provide parking for such cars which cause unnecessary congestion if parked on the street. One such way to achieve this is to encourage owners to construct or convert their buildings for the purpose of parking. This is done through the granting of certain tax exemptions.

The ultimate goal is to achieve intermodal transportation. Car owners should be able to park near trains, airports, and seaports and then take such other means of transportation to go to other areas.

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

CESAR V. SARMIENTO

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PARKING BUILDING TAX EXEMPTION ACT OF 2017

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

Section 1. Title. – This Act shall be known as the “Parking Building Tax Exemption Act of 2017.”

Section 2. Declaration of Policy. – It is the policy of the State to provide a sustainable, organized, predictable, accessible and safe transportation system. Towards this end, adequate parking buildings must be provided as to reduce the number of cars parked on the road and encourage such users to take advantage of public transportation by allowing for the parking of cars before riding the commute.

Section 3. Definition of terms – The following terms are defined as:

- (a) Construction – All on-site work done in the site preparation, excavation, foundation, assembly of all the components and installation of utilities, machineries, and equipment of buildings/ structures.
- (b) Conversion – A change in the use or occupancy of buildings/structures or any portion/s thereof, which has different requirements.
- (c) Exclusive Use – Predominant or primary use as opposed to incidental use.
- (d) Idle lands - Non-agricultural lands in urban and urbanized areas on which no improvements, as herein defined, have been made by the owner, as certified by the city, municipal or provincial assessor.
- (e) Vehicle - refers to any self-propelled, four (4) wheeled road vehicle designed to carry passengers including, but not limited to, sedans, coupes, station wagons, convertibles, pick-ups, vans, sports utility vehicles (SUVs) and Asian Utility Vehicles (AUVs) but excluding motorcycles, delivery trucks, dump trucks, buses, road rollers, trolley cars, street sweepers, sprinklers, lawn mowers and heavy equipment such as, but not limited to, bulldozers, payloaders, graders, forklifts, amphibian trucks, cranes, and vehicles which run only on rails or tracks, and tractors, trailers and traction engines of all

kinds used exclusively for agricultural purposes. Trailers having any number of wheels, when propelled or intended by attachment to a motor vehicle, shall be classified as separate motor vehicle with no power rating;

- (f) Public – Use that is not limited to privileged individuals but is open to the indefinite community whether for a fee or not.
- (g) Renovation – Any physical change made on buildings/structures to increase the value/quality and/or to improve the aesthetic.

Section 4. Coverage – This law shall be applicable to all the cities and municipalities comprising Metro Manila, Cebu, and Davao.

The only buildings, structures, and spaces that can apply for said tax exemption are:

- a. Idle lands
- b. Buildings that are used for an exclusive purpose other than parking

The tax exemption is not applicable to buildings that are required to provide parking as required by the National Building Code and other applicable national laws.

Section 5. Tax Exemption – The following buildings, structures, and other spaces that meet the following requisites shall be exempt from taxation:

- 1) It must actually be used and occupied to carry out parking operations;
- 2) At least 80% of total land area is exclusively used for parking vehicles;
- 3) Parking spaces are available to the general public; and
- 4) Constructed or converted to a new parking building during the effectivity of this Act.

This tax exemption shall apply to those taxes imposed on the parking building property. The owner of the parking building shall only be exempted from taxes involving said parking building and shall still be liable for taxes due to non-parking properties or operations.

Such tax exemption shall include but shall not be limited to all real property, income, and other business taxes so long as such taxes involve and are derived from the parking building, structure, or space.

Such tax exemption shall be automatically terminated if:

- (1) The building ceases to be exclusively used for parking operations.
- (2) The building is converted to a non-parking use.

The tax exemption shall last for a period of three (3) years beginning from the date when construction of the parking building begins, which period is extendible for another three (3) years upon determination by the Department of Transportation and Department of Finance that the need to alleviate land traffic congestion in the covered metropolitan areas through this tax exemption still exists.

Section 6. Registration – All persons owning such parking building, structure, and space may apply for the tax exemption. The Department of Interior and Local Government (DILG) shall conduct an investigation and certification upon request by the owner that such building, structure, and space complies with the tax exemption requirements. This certification from the DILG shall be completed and released within 5 days upon request by the owner. Such certification shall be submitted to the Bureau of Internal Revenue (BIR) upon application for the tax exemption.

Section 7. Government Support – The DILG shall issue guidelines on promoting the conversion of idle lands towards parking buildings within ninety (90) days after the effectivity of this Act.

The Business Process and Licensing Office (BPLO) and the Engineering Unit of each local government unit shall provide express lanes for businesses whose primary purpose is parking. Upon compliance with the stated requirements, these offices shall release the corresponding permits within 5 days of request by the parking building applicant.

Section 8. Duty of the Parking Building Owner and Operator – The parking building owner and the parking operator shall be responsible for the security of the parking premises and the vehicles therein. All contractual provisions absolving the parking building owner and operator from liability for failure to provide adequate security shall be null and void.

Section 9. Duty of the Government – The Department of Transportation (DOTr) shall issue guidelines to ensure that parking building owners do not set exorbitant parking fees within thirty (30) days from promulgation of this Act.

The Department of Interior and Local Government, in consultation with the Bureau of Internal Revenue, Department of Finance and appropriate government agencies, within one hundred twenty (120) days from the effectivity of this Act, shall promulgate the rules and regulations necessary to effectively implement the provisions of this Act.

Section 10. Separability. – In the event that any provision of this Act is declared unconstitutional, invalid, or illegal, the constitutionality, validity, or legality of the remaining provisions of this Act shall not be affected thereby.

Section 11. Repealing – All laws, decrees, executive orders, implementing rules and regulations, issuances, or any part thereof inconsistent with the provisions of this act are deemed repealed and/or modified accordingly.

Section 12. Effectivity – This act shall take effect fifteen (15) days after its publication in the Official Gazette or in a national newspaper of general circulation and shall be effective for 3 years.

Approved,