

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

NINETEENTH CONGRESS
Second Regular Session

House Bill No. **9043**



**INTRODUCED BY REPRESENTATIVES RALPH WENDEL P. TULFO,
JOCELYN P. TULFO, ERWIN T. TULFO, EDVIC G. YAP, AND ERIC GO YAP**

**AN ACT AMENDING REPUBLIC ACT NO. 8794, ENTITLED "AN ACT
IMPOSING A MOTOR VEHICLE USER'S CHARGE ON OWNERS OF ALL
TYPES OF MOTOR VEHICLES AND FOR OTHER PURPOSES", AS AMENDED
BY REPUBLIC ACT NO. 11239**

EXPLANATORY NOTE

Drawing a noteworthy comparison to our Southeast Asian neighbor, Singapore, where higher taxes on private car ownership and the mandatory possession of a certificate of entitlement contribute to keeping their roads uncluttered and urban areas thriving, the University of the Philippines School of Urban and Regional Planning reveals a striking revelation. Within Metro Manila, 70% of the population relies on public transportation and takes up only 22% of the road space, while the remaining 30% comprising private vehicle users occupy a disproportionate 78% of the road's expanse. This data underscores an undeniable reality: private cars consume considerably more road space than the more spatially-efficient modes of transportation like trains and buses. Hence, there is a need to revamp the 23-year old law, Republic Act No. 8794.

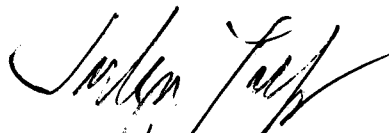
This proposed measure introduces the Motor Vehicle Road User's Tax (MVRUT), which aims to update and make Motor Vehicle User's Charge (MVUC) simpler. Under this bill, an MVRUT will be imposed on all private or for-hire motor vehicles, including those government-owned, while motorcycles with or without a sidecar shall be excluded from the MVRUT.

In efforts of cushioning the impact of the proposed increase in MVRUT rates, this bill will phase the said increase for three years and apply a single rate for all types of motor vehicles – whether private, government, or for hire – only in the fourth year of its implementation. Further, the revenues from the collection of MVRUT will be allocated and used for the purposes of financing the modernization of public utility vehicles and several programs geared towards the prevention of casualties due to road accidents as well as assistance to road accident victims.

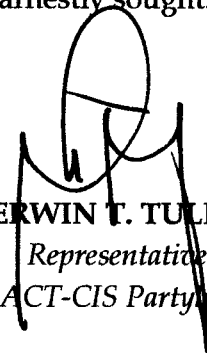
In view of the foregoing, the urgent passing of this bill is earnestly sought.



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

SECTION 1. This Act shall be known as the "Motor Vehicle Road User's Tax Act."

SEC. 2. Section 2 of Republic Act No. 8794, as amended by Republic Act No. 11239,
is hereby amended to read as follows:

"SEC. 2. Coverage. - ~~[In lieu of the registration fee under Section 8 of 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]~~ **THE MOTOR
VEHICLE ROAD USER'S TAX SHALL BE** 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 registered owner of the motor vehicle."

SEC. 3. Section 3 of Republic Act No. 8794, as amended by Republic Act No. 11239, is hereby amended to read as follows:

~~"SEC. 3. [Rates of the Motor Vehicle User's Charge.]~~ **RATES OF MOTOR VEHICLE ROAD USER'S TAX.** - ~~[(a) For private passenger cars registered as of the date of the effectivity of this Act, the MVUC to be paid shall be the private motor vehicle tax under Executive Order No. 43, series of 1986, plus twenty five percent (25%) for the first year, fifty percent (50%) for the second year, seventy five percent (75%) for the third year, and one hundred percent (100%) for the fourth year and thereafter: Provided, however, That private passenger cars to be registered for the first time after the effectivity of this Act, shall be subject to the MVUC rates prescribed in Section 3(b) hereof.]~~

~~["(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 (P300).]~~

~~_____~~ Type of Vehicle ~~_____~~	Base Rates
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I. Private and Government

A. Passenger Cars

1	(1) GVW up to 1,600 kgs.	P800
2	(2) GVW more than 1,600 kgs.	
3	— 2,300 kgs.	1,800
4	(3) GVW more than 2,300 kgs.	4,000
5	B. Utility Vehicles	
6	GVW up to 2,700 kgs.	P1,000
7	GVW more than 2,700 kgs.	1,000 + 20
8	— 4,500 kgs.	per 100 kgs. of GVW over 2,700 kgs.
9	C. Motorcycles	
10	Without sidecar	P120
11	With sidecar	150
12	D. Buses	
13	GVW more than 4,500 kgs.	P900 + 12
14		per 100 kgs. of GVW over 2,700 kgs.
15	E. Trucks	
16	GVW more than 4,500 kgs.	P900 + 12
17		per 100 kgs. of GVW over 2,700 kgs.
18	F. Trailers	
19	GVW more than 4,500 kgs.	P12 per 100 kgs. of GVW
20		
21	H. For Hire	
22	A. Passenger Cars	
23	(1) GVW up to 1,600 kgs.	P450
24	2) GVW more than 1,600 kgs.	
25	— 2,300 kgs.	900
26	(3) GVW more than 2,300 kgs.	2,500
27	B. Utility Vehicles	
28	GVW up to 4,500 kgs.	P15 per 100 kgs. of GVW
29	C. Motorcycles	
30	Without sidecar	P150

1 ~~With sidecar~~ _____ ~~240~~

2 **D. Buses**

3 ~~GVW more than 4,500 kgs.~~ _____ ~~P15 per 100 kgs. of GVW~~

4 **E. Trucks**

5 ~~GVW more than 4,500 kgs.~~ _____ ~~P900 + 12~~

6 _____ ~~per 100 kgs. of GVW over 2,700 kgs.~~

7 **F. Trailers**

8 ~~GVW more than 4,500 kgs.~~ _____ ~~P12 per 100 kgs. of GVW]~~

9
10 ~~[After the fourth year from the effectivity of this Act, the President of the~~
11 ~~Philippines may adjust the rates contained in Section 3 which shall be reflective of~~
12 ~~but shall not exceed the annual rate of increase of the Consumer Price Index (CPI).~~
13 ~~The President may adjust such rates not more than once every five (5) years.]~~

14
15 **"THERE SHALL BE LEVIED, ASSESSED, AND COLLECTED ON**
16 **REGISTERED PRIVATE AND GOVERNMENT VEHICLES, A MOTOR**
17 **VEHICLE ROAD USER'S TAX WHICH SHALL BE COLLECTED FROM AND**
18 **PAID BY THE REGISTERED OWNER OF THE MOTOR VEHICLE IN**
19 **ACCORDANCE WITH THE FOLLOWING SCHEDULE:**

TYPE OF VEHICLE				
	2023	2024	2025	2026 ONWARDS
PRIVATE AND GOVERNMENT				
A. PASSENGER CARS:				
GROSS VEHICLE WEIGHT (GVW) UP TO 1,600 KILOGRAMS (KG)	2,080	2,560	3,040	5% INCREASE
GVW MORE THAN 1,600 KG UP TO 2,300	4,680	5,760	6,840	

GVW MORE THAN 2,300 KG	10,400	12,800	15,200	
B1. UTILITY VEHICLES				
GVW UP TO 4,500 KG	1.40 PER KG OF GVW	2.50 PER KG OF GVW	3.40 PER KG OF GVW	5% INCREASE
B2. SPORTS UTILITY VEHICLES				
GVW UP TO 4,500 KG	1.40 PER KG OF GVW	2.50 PER KG OF GVW	3.40 PER KG OF GVW	5% INCREASE
C. MOTORCYCLES				
WITHOUT SIDECAR	0	0	0	0
WITH SIDECAR	0	0	0	0
D. BUSES				
GVW ABOVE 4,500 KG	1.40 PER KG OF GVW	2.50 PER KG OF GVW	3.40 PER KG OF GVW	5% INCREASE
E. TRUCKS				
GVW ABOVE 4,500 KG	1.40 PER KG OF GVW	2.50 PER KG OF GVW	3.40 PER KG OF GVW	5% INCREASE
F. TRAILERS				
GVW ABOVE 4,500 KG	1.40 PER KG OF GVW	2.50 PER KG OF GVW	3.40 PER KG OF GVW	5% INCREASE

1
 2 **"PROVIDED, THAT FOR-HIRE VEHICLES SHALL BE SUBJECT TO 50% OF**
 3 **THE ABOVE TAX RATES: PROVIDED, HOWEVER, THAT IN THE EVENT THE**
 4 **ABOVE TAX RATE WILL RESULT IN DOWNWARD ADJUSTMENT OF TAX**
 5 **RATES, THE APPLICABLE MOTOR VEHICLE ROAD USER'S TAX OF THE**
 6 **PRECEDING YEAR SHALL BE APPLIED.**
 7

1 ***"PROVIDED, FURTHER, THAT THE RATES OF MOTOR VEHICLE ROAD***
2 ***USER'S TAX SHALL BE INCREASED BY FIVE PERCENT (5%) ANNUALLY***
3 ***EFFECTIVE JANUARY 1, 2026 THROUGH REVENUE REGULATIONS TO BE***
4 ***ISSUED BY THE SECRETARY OF FINANCE.***

5
6 ***"AS USED IN THIS SECTION —***
7

8 ***"(A) MOTOR VEHICLE SHALL MEAN ANY VEHICLE PROPELLED BY ANY***
9 ***POWER OTHER THAN MUSCULAR POWER USING THE PUBLIC***
10 ***HIGHWAYS BUT EXCEPTING AIRCRAFT, MOTOR BOATS, ROAD***
11 ***ROLLERS, TROLLEY CARS, STREET SWEEPERS, SPRINKLERS, LAWN***
12 ***MOWERS, BULLDOZERS, GRADERS, FORK LIFTS, AMPHIBIAN TRUCKS,***
13 ***AND CRANES NOT USED IN PUBLIC HIGHWAYS, VEHICLES WHICH RUN***
14 ***ONLY ON RAILS OR TRACKS, TRACTORS AND TRAILERS AND TRACTION***
15 ***ENGINES OF ALL KINDS USED EXCLUSIVELY FOR AGRICULTURAL***
16 ***PURPOSES.***

17
18 ***"TRAILERS HAVING ANY NUMBER OF WHEELS, WHEN PROPELLED OR***
19 ***INTENDED TO BE PROPELLED BY ATTACHMENT TO A MOTOR VEHICLE,***
20 ***SHALL BE CLASSIFIED AS SEPARATE MOTOR VEHICLE WITH NO POWER***
21 ***RATING.***

22
23 ***"(B) GROSS VEHICLE WEIGHT SHALL MEAN THE MEASURED WEIGHT***
24 ***OF A MOTOR VEHICLE AS SPECIFIED BY THE MANUFACTURER PLUS THE***
25 ***MAXIMUM ALLOWABLE CARRYING CAPACITY IN MERCHANDISE,***
26 ***FREIGHT, OR PASSENGER AS DETERMINED BY THE ASSISTANT***
27 ***SECRETARY OF THE LAND TRANSPORTATION OFFICE (LTO)."***

28
29 **SEC. 4.** Section 4 of Republic Act No. 8794, as amended by Republic Act No. 11239,
30 is hereby amended to read as follows:
31

1 ~~"[SEC. 4. GOVERNMENT MOTOR VEHICLES.--]~~

2
3 **"SEC. 4. - PAYMENT OF MOTOR VEHICLE ROAD USER'S TAX -** "The
4 manner of payment of the [user's charge] **MOTOR VEHICLE ROAD USER'S TAX**
5 on government motor vehicles shall be in accordance with the procedure that shall be
6 promulgated by the Secretary of the Department of Budget and Management (DBM)
7 [.]:

8
9 ***"(A) MANNER OF PAYMENT - THE MOTOR VEHICLE ROAD USER'S TAX***
10 **SHALL BE PAID TO THE LTO ANNUALLY UPON REGISTRATION,**
11 **CONFORMABLY WITH THE REGULATIONS ISSUED JOINTLY BY THE**
12 **DEPARTMENT OF FINANCE (DOF) AND DEPARTMENT OF**
13 **TRANSPORTATION (DOTr).**

14
15 ***"(B) MANNER OF COLLECTION OF REVENUES - THE MOTOR VEHICLE***
16 **ROAD USER'S TAX SHALL BE COLLECTED BY THE LTO AS PART OF THE**
17 **ANNUAL VEHICLE REGISTRATION IN ACCORDANCE WITH THE RATES**
18 **SET FORTH IN SECTION 3 HEREOF. THE DATES OF ANNUAL**
19 **REGISTRATION OF MOTOR VEHICLES SHALL BE BASED ON THE**
20 **REGISTRATION SCHEME PROVIDED BY THE LTO.**

21
22 ***"(C) EFFECT OF FAILURE TO PAY MOTOR VEHICLE ROAD USER'S TAX -***
23 **ANY REGISTRATION OF MOTOR VEHICLES NOT RENEWED ON OR**
24 **BEFORE THE DATE FIXED BY THE LTO SHALL BE CONSIDERED**
25 **DELINQUENT AND INVALID."**

26
27 **SEC. 5.** Section 7 of Republic Act No. 8794, as amended by Republic Act No. 11239,
28 is hereby further amended to read as follows:

29
30 **"SEC. 7. Disposition of Monies Collected. - All monies collected under this Act**
31 **shall be remitted to the National Treasury under a special account in the General**

1 Fund to be earmarked solely for the construction, upgrading, repair and
2 rehabilitation of roads, bridges, and road drainage to be included in the annual
3 General Appropriations Act[:]; **PROVIDED, THAT FIFTY PERCENT (50%) OF**
4 **THE INCREMENTAL REVENUES COLLECTED UNDER THIS ACT SHALL BE**
5 **ALLOCATED AND USED EXCLUSIVELY FOR THE FOLLOWING PURPOSES:**

6
7 “(1) FORTY-FIVE PERCENT (45%) FOR THE MODERNIZATION OF
8 PUBLIC UTILITY VEHICLES, PARTICULARLY FOR THE EQUITY SUBSIDY
9 OF PUBLIC TRANSPORT OPERATORS CONSOLIDATED AS TRANSPORT
10 COOPERATIVES FOR THE ACQUISITION OF EURO-4 COMPLIANT
11 PUBLIC UTILITY VEHICLES PLYING AUTHORIZED ROUTES AS
12 DETERMINED BY THE DOTR AND THE LAND TRANSPORTATION
13 FRANCHISING AND REGULATORY BOARD (LTFRB); **PROVIDED, THAT**
14 **SAID INCREMENTAL REVENUES SHALL BE EARMARKED UPON**
15 **APPROVAL OF THIS ACT UNTIL DECEMBER 31, 2027 FOR THE**
16 **MODERNIZATION OF PUBLIC UTILITY VEHICLES: PROVIDED,**
17 **FURTHER, THAT THE EARMARKED FUNDS SHALL REVERT TO THE**
18 **SPECIAL ACCOUNT IN THE GENERAL FUND EFFECTIVE JANUARY 1,**
19 **2028;**

20
21 “(2) TEN PERCENT (10%) FOR GOVERNMENT PROGRAMS TO BE
22 UNDERTAKEN FOR PREVENTION OF DEATHS DUE TO ROAD
23 ACCIDENTS, AND ACCIDENT VICTIMS’ ASSISTANCE, INCLUDING THE
24 FOLLOWING:

25
26 (a) THE IMPROVEMENT OF EXISTING DRIVERS’ EDUCATION
27 PROGRAMS, TRAINING ACADEMIES AND DRIVERS’ LICENSE
28 EXAMINATIONS BY THE LTO;

29
30 (b) THE ESTABLISHMENT OF ADDITIONAL MOTOR VEHICLE
31 INSPECTION CENTERS BY THE LTO;

1
2 (c) THE IMPROVEMENT OF ROAD MANAGEMENT SYSTEMS BY
3 THE DOTr;

4
5
6 (d) THE PROVISION OF SUPPLEMENTAL HOSPITALIZATION
7 COVERAGE BY THE PHILIPPINE HEALTH INSURANCE
8 CORPORATION (PHILHEALTH) FOR VICTIMS OF ROAD
9 ACCIDENTS;

10
11
12 (e) THE PROVISION BY THE EMPLOYEES' COMPENSATION
13 COMMISSION OF WORKMEN'S COMPENSATION FOR VICTIMS
14 OF ROAD ACCIDENTS WHO ARE UNABLE TO BE GAINFULLY
15 EMPLOYED FOR A CONTINUOUS PERIOD DUE TO DISABILITY,
16 PURSUANT TO THE PROVISIONS OF REPUBLIC ACT NO. 772, AS
17 AMENDED, OR THE WORKMEN'S COMPENSATION ACT; AND

18
19
20 (f) THE ESTABLISHMENT BY THE DEPARTMENT OF HEALTH
21 (DOH) OF EMERGENCY CARE FACILITIES IN AREAS THAT
22 HAVE HIGH INCIDENCE OF ROAD ACCIDENTS.
23

24 **SEC. 6. *Implementing Rules and Regulations.*** – The DOTr, in coordination with the
25 DOF, the DOH, and the LTFRB, shall promulgate the rules and regulations to
26 implement this Act within thirty (30) days from its effectivity.
27

28 **SEC. 7. *Repealing Clause.*** – All laws, orders, issuances, circulars, rules and
29 regulations or parts thereof, which are inconsistent with the provisions of this Act, are
30 hereby repealed or modified accordingly.
31

1 **SEC. 8. *Separability Clause.*** – If any provision of this Act is declared unconstitutional
2 or invalid, other parts or provisions hereof not affected thereby shall continue to be in
3 full force and effect.

4
5 **SEC. 9. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in
6 the Official Gazette or in at least one (1) newspaper of general circulation.

7
8 Approved,