

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9442

Introduced by Representative Joseph Gilbert F. Violago



EXPLANATORY NOTE

Two decades ago, 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" was enacted into law. Consequently, certain provisions of the law were amended by Republic Act No. 11239 in 2018.

In order to ensure the adequate maintenance of national and provincial roads through sufficient funding, as envisioned by the prevailing law, the proposed measure seeks to simplify the MVUC to reflect a more responsive system. Under this measure, a motor vehicles road user's tax (MVRUT) shall be imposed on private and government vehicles, except for motorcycles with or without sidecars. For hire vehicles, however, shall be subject to 50% of the proposed tax rates.

Likewise, the bill seeks to provide allocation of a portion of incremental revenues collected for a myriad of purposes, including but not limited to the modernization of public utility vehicles, government programs for the prevention of fatalities due to road accidents, improvement of drivers' education programs and road management systems, and others.

A similar bill was approved on Third and Final Reading last 18th Congress, and was transmitted to the Senate; however, the same was not passed into law due to lack of material time. The present proponent acknowledges the hard work and wisdom of his predecessors.

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


JOSEPH GILBERT F. VIOLAGO

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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

Be it enacted by the Senate and 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"*.

SECTION 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 owner of the motor vehicle."

SECTION 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) TAX. — For private passenger cars registered as of the date of 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	Basic Rates
I. Private and Government	
A. Passenger Cars	
(1) GVW up to 1,600 kgs.	P800
(2) GVW more than 1,600 kgs. – 2300 kgs.	1,800
(3) GVW more than 2,300 kgs.	4000
B. Utility Vehicles	
GVW up to 2,700 kgs.	P1000
GVW more than 2,700 kgs. – 4,500 kgs. kgs. of	P1,000 + P20 per 100
	GVW over 2,700 kgs.
C. Motorcycles	
Without sidecar	P120
With sidecar	150
D. Buses	
GVW more than 4,500 kgs	P900 + P12 per 100 kgs. of GVW over 2,700 kgs.
E. Trucks	

GVW more than 4,500 kgs.	P900 + P12 per 100 kgs. of GVW over 2,700 kgs.
F. Trailers	
GVW more than 4,500 kgs. GVW	P12 per 100kgs. of GVW
II. For Hire	
A. Passenger Cars	
(1) GVW up to 1,600 kgs.	P450
(2) GVW more than 1,600 kgs. – 2300 kgs.	900
(3) GVW more than 2,300 kgs.	2,500
B. Utility Vehicles	
GVW up to 4,500 kgs GVW	P15 per 100kgs. of GVW
C. Motorcycles	
Without sidecar	P150
With sidecar	240
D. Buses	
GVW more than 4,500 kgs. GVW	P15 per 100 kgs of GVW
E. Trucks	
GVW more than 4,500 kgs	P900 + P12 per 100kgs. of GVW over 2,700 kgs.
F. Trailers	
GVW more than 4,500 kgs. GVW]	P12 per 100kgs of GVW]

“[After the fourth year from the effectivity of this Act, the President of the Philippines may adjust the rates contained in Section 3 which shall be reflective of but shall not exceed the annual rate of increase of the Consumer Price Index (CPI). The President may adjust such rates not

more than once every five (5) years.]

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

TYPE OF VEHICLE	2023	2024	2025	2026 ONWARDS
PRIVATE GOVERNMENT				
A. Passenger Cars				
Gross Vehicle Weight (GVW) up to 1,600 Kilograms (kg)	2,080	2560	3040	5% Increase
GVW more than 1,600 kg up to 2,300 kg	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 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
E. Trucks				
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
F. Trailers				
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

"PROVIDED, THAT FOR HIRE VEHICLES SHALL BE SUBJECT TO FIFTY PERCENT (50%) OF THE ABOVE TAX RATES: PROVIDED, HOWEVER, THAT IN THE EVENT THE ABOVE TAX RATE WILL RESULT IN DOWNWARD ADJUSTMENT OF TAX RATES, THE APPLICABLE MOTOR VEHICLE ROAD USER'S TAX OF THE PRECEDING YEAR SHALL BE APPLIED.

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

"AS USED IN THIS SECTION —

"(A) MOTOR VEHICLE SHALL MEAN ANY VEHICLE PROPELLED BY ANY POWER OTHER THAN MUSCULAR POWER USING PUBLIC HIGHWAYS BUT EXCEPTING AIRCRAFTS, MOTOR BOATS, ROAD ROLLERS, TROLLEY CARS, STREET SWEEPERS, SPRINKLERS, LAWN MOWERS, BULLDOZERS, GRADERS, FORKLIFTS, AMPHIBIAN TRUCKS, AND CRANES NOT USED IN PUBLIC HIGHWAYS, VEHICLES WHICH RUN ONLY ON RAILS OR TRACKS, TRACTORS AND TRAILERS, AND TRACTION ENGINES OF ALL KINDS USED EXCLUSIVELY FOR AGRICULTURAL PURPOSES.

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

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

SECTION 4. Section 4 of Republic Act No. 8794, as amended by Republic Act No. 11239, is hereby amended to read as follows

"[SEC. 4. GOVERNMENT MOTOR VEHICLES

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

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

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

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

SECTION 5. Section 7 of Republic Act No. 8794, as amended by Republic Act No. 11239, is hereby further amended to read as follows:

"SEC. 7. *Disposition of Monies Collected.* — All monies collected under this Act shall be remitted to the National Treasury under a special account in the General Fund to be earmarked solely for the construction, upgrading, repair, and rehabilitation of roads, bridges, and road drainage to be included in the annual General Appropriations Act [.] **PROVIDED, THAT FIFTY PERCENT (50%) OF THE INCREMENTAL REVENUES COLLECTED UNDER THIS ACT SHALL BE**

ALLOCATED AND USED EXCLUSIVELY FOR THE FOLLOWING PURPOSES:

"(1) FORTY-FIVE PERCENT (45%) FOR THE MODERNIZATION OF PUBLIC UTILITY VEHICLES, PARTICULARLY FOR THE EQUITY SUBSIDY OF PUBLIC TRANSPORT OPERATORS CONSOLIDATED AS TRANSPORT COOPERATIVES FOR THE ACQUISITION OF EURO-4 COMPLIANT PUBLIC UTILITY VEHICLES PLYING AUTHORIZED ROUTES AS DETERMINED BY THE DOTr AND THE LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD (LTFRB): *PROVIDED*, THAT SAID INCREMENTAL REVENUES SHALL BE EARMARKED UPON APPROVAL OF THIS ACT UNTIL DECEMBER 31, 2027 FOR THE MODERNIZATION OF PUBLIC UTILITY VEHICLES: *PROVIDED, FURTHER*, THAT THE EARMARKED FUNDS SHALL REVERT TO THE SPECIAL 20 ACCOUNT IN THE GENERAL FUND EFFECTIVE JANUARY 1, 2028;

"(2) FIVE PERCENT (5%) FOR GOVERNMENT PROGRAMS TO BE UNDERTAKEN FOR PREVENTION OF 24 DEATHS DUE TO ROAD ACCIDENTS, AND ACCIDENT 25 VICTIMS' ASSISTANCE, INCLUDING THE FOLLOWING:

(a) THE IMPROVEMENT OF EXISTING DRIVERS' EDUCATION PROGRAMS, TRAINING ACADEMIES AND DRIVERS' LICENSE EXAMINATIONS BY THE LTO;

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

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

(d) THE PROVISION OF SUPPLEMENTAL HOSPITALIZATION COVERAGE BY THE PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH) FOR VICTIMS OF ROAD ACCIDENTS;

(e) THE PROVISION BY THE EMPLOYEES' COMPENSATION COMMISSION OF WORKMEN'S COMPENSATION FOR VICTIMS OF ROAD ACCIDENTS WHO ARE UNABLE TO BE GAINFULLY EMPLOYED FOR A CONTINUOUS PERIOD DUE TO DISABILITY, PURSUANT TO THE PROVISIONS OF REPUBLIC ACT No. 772, AS AMENDED, OR THE WORKMEN'S COMPENSATION ACT;

(f) THE ESTABLISHMENT BY THE DEPARTMENT OF HEALTH (DOH) OF EMERGENCY CARE FACILITIES IN

**AREAS THAT HAVE HIGH INCIDENCE OF ROAD
ACCIDENTS."**

SECTION 6. *Implementing Rules and Regulations.* – The DoTr, in coordination with the DOF, the DOH, and the LTFRB shall promulgate the necessary rules and regulations to effectively implement the provisions of this Act, within ninety (90) days from its effectivity.

SECTION 7. *Separability Clause.* – If any provision or part of this Act, or the application thereof to any person or circumstance, is held unconstitutional or invalid, the remainder of this Act shall not be affected thereby.

SECTION 8. *Repealing Clause.* – All laws, presidential decrees, executive orders, proclamations, rules and regulations, or any part thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 9. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,