

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Nineteenth Congress
Second Regular Session



House Bill No. 9573

Introduced by **Representative JOEY SARTE SALCEDA**

AN ACT
PROVIDING FOR THE TAX AND DUTY TREATMENT OF ELECTRIC
VEHICLES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 11697,
OTHERWISE KNOWN AS THE "ELECTRIC VEHICLE INDUSTRY
DEVELOPMENT ACT" AND FOR OTHER PURPOSES

EXPLANATORY NOTE

This seeks to further amend Republic Act ("RA") No. 11697 or the Electric Vehicle Industry Development Act ("EVIDA"), in order to boost our country's commitments to the international community under the Paris Agreement, as well as to reduce our dependence on fossil fuels.

The country's net petroleum import bill has ballooned from just USD 11.57 billion in 2021 to USD 19.02 billion in 2022, suggesting that an equivalent of two-thirds of the country's BPO sector export revenues is used to pay for our petroleum needs. This is unsustainable especially given that petroleum is a highly volatile and geopolitically sensitive commodity.

Electric vehicles are generally more sustainable because renewable energy accounts for some 26.4 percent of the country's power, while some 99.77 percent of cars still use fossil fuels.

The EVIDA, then, was a laudable law that enabled a six-fold growth in sales of electric cars in 2023, versus 2022.

However, limiting interpretations of the EVIDA have effectively denied two-wheeled electric vehicles access to the fiscal incentives granted to electric vehicles under the EVIDA law.

This is inequitable especially for the following reasons:

- (1) **Critical mass.** Some 60 percent of electric vehicles are two-wheeled, meaning that the vast majority of electric vehicles do not benefit from the tax incentives granted under the law;

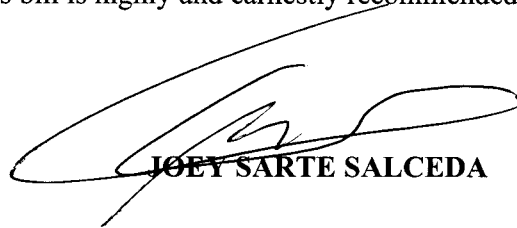
(2) **Affordability.** Two-wheeled electric vehicles are the most affordable electric vehicles. An electric vehicle, on average, is around just 3 percent the price of an electric car; and

(3) **Congestion issues.** Encouraging electric cars while locking out electric motorcycles does not address congestion issues, but merely substitutes petroleum-fueled cars for their space on the road.

In order to address these issues, this proposal clarifies in its definition of terms that electric vehicles include two-wheeled vehicles.

Additionally, the measure provides a zero-percent duty treatment on completely-built electric vehicles to accelerate the shift to these types of vehicles.

In view of the foregoing, approval of this bill is highly and earnestly recommended.



JOEY SARTE SALCEDA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Nineteenth Congress
Second Regular Session

House Bill No. **9573**

Introduced by **Representative JOEY SARTE SALCEDA**

AN ACT
PROVIDING FOR THE TAX AND DUTY TREATMENT OF ELECTRIC
VEHICLES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 11697,
OTHERWISE KNOWN AS THE “ELECTRIC VEHICLE INDUSTRY
DEVELOPMENT ACT” AND FOR OTHER PURPOSES

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

SECTION 1. Section 4 of Chapter I of Republic Act No. 11697, otherwise known as “Electric Vehicle Industry Development Act” is hereby amended to read as follows:

Section 4. Definition of Terms. – As used in this Act, the following terms shall be defined as stated below:

xxx

(k) Electric vehicle (EV) refers to a **TWO-WHEELED, THREE-WHEELED, OR FOUR-WHEELED** vehicle **OR SUCH OTHER VEHICLES** with at least one (1) electric drive for vehicle propulsion. For purposes of this Act, it includes a BEV, hybrid-electric vehicle, light electric vehicle, and a plug-in hybrid-electric vehicle;

xxx

SEC. 2. Section 24 of Chapter IV of Republic Act No. 11697, otherwise known as “Electric Vehicle Industry Development Act” is hereby amended to read as follows:

Section 24. Fiscal Incentives. –

(a) Manufacturing

xxx

(b) Importation

The importation of completely built units of EVs shall be entitled to the incentives under Republic Act No. 10963, otherwise known as the “Tax Reform for Acceleration and Inclusion (TRAIN)”: *Provided*, That in the case of imported electric jeepneys and electric tricycles, the Department of Finance, upon recommendation of the DTI, may suspend the exemption in order to protect local manufacturers.

THE IMPORTATION OF COMPLETELY BUILT UNITS OF EVS SHALL BE SUBJECT TO A TARIFF RATE OF ZERO PERCENT (0%) FROM 2024 TO 2029.

The importation of completely built units of charging stations shall be exempt from the payment of duties for eight (8) years from the effectivity of this Act.

The importation of capital equipment and components used in the manufacture or assembly of EVs and construction or installation of charging stations shall undergo an evaluation process to determine their inclusion in the strategic investment priority plan and possible entitlement to the incentives and for the length of time as provided under the Omnibus Investments Code of 1987, as amended, Title XIII of the National Internal Revenue Code of 1997, as amended, and other applicable laws.

xxx

SEC. 3. *Implementing Rules and Regulations.* – The departments and agencies charged with carrying out the provisions of this Act shall, within ninety (90) days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

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

SEC. 5. *Separability clause.* – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SEC. 6. *Effectivity clause.* – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,