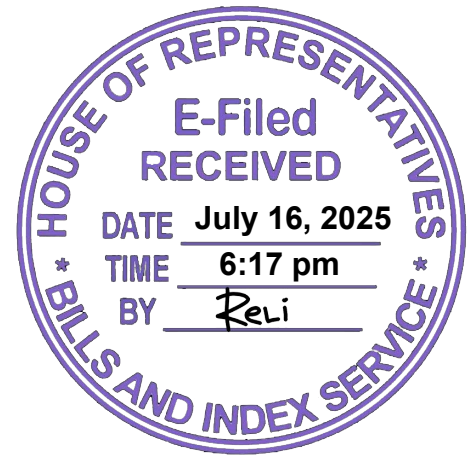


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2051



Introduced by **HON. MIGUEL LUIS R. VILLAFUERTE, HON. VINCENZO RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND HON. TERRY L. RIDON**

EXPLANATORY NOTE

This proposed bill aims to amend Republic Act (RA) 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" to increase the Motor Vehicle User's Charge (MVUC) rates and expand the allocation of the collected revenues in support of the government's Public Utility Vehicle (PUV) modernization and road safety programs.

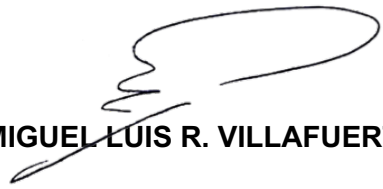
RA No. 8794 was enacted in 2000 to establish an exclusive and stable funding for road maintenance. Prior to its implementation, funding for the aforementioned purpose was sourced from the General Appropriations Act, which was often insufficient and inconsistent. Likewise, the law aimed to eliminate vehicular air pollution by allocating a portion of the MVUC to programs such as vehicle emission testing and environmental monitoring.

However, it's been 25 years since its enactment and the Philippine transport and infrastructure sectors have significantly evolved. The rising number of motor vehicles has led to the faster deterioration of the roads, resulting in higher costs of road maintenance, repair, and rehabilitation. Thus, the proposed increase in rates under this measure is reasonable and necessary.

Under this bill, 45% of the revenues collected will be allocated to the Department of Transportation's PUV Modernization Program, which seeks to replace old, hazardous, and poorly-maintained PUVs with efficient, economical, and environmentally friendly vehicles. Moreover, 5% of the revenues shall be allocated to programs specifically meant to prevent deaths due to road crashes and to assist victims of these accidents. Philippine Statistics Authority reported that the year with the highest deaths in over a decade due to road accidents was 2023.

This is a refiled bill from the 19th Congress, and was approved on third and final reading and transmitted to the Senate.

Thus, in light of the foregoing, the immediate passage of this bill is earnestly sought.


HON. MIGUEL LUIS R. VILLAFUERTE



HON. VINCENZO RENATO LUIGI R. VILLAFUERTE



HON. TSUYOSHI ANTHONY G. HORIBATA



HON. TERRY L. RIDON

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Introduced by **HON. MIGUEL LUIS R. VILLAFUERTE, HON. VINCENZO RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND HON. TERRY L. RIDON**

AN ACT RENAMING MOTOR VEHICLE USER'S CHARGE INTO MOTOR VEHICLE ROAD USER'S TAX AND INCREASING THE RATES FOR PUBLIC UTILITY VEHICLE MODERNIZATION AND ROAD SAFETY PROGRAMS, AMENDING FOR THIS PURPOSE 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. 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 2. 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
(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	
(1) GVW up to 2,700 kgs.	P1,000
(2) GVW more than 2,700 kgs. — 4,500 kgs.	P1,000 + P20 per 100 kgs. of GVW over 2,700 kgs.
(C) Motorcycles	
without sidecar	P120
with side car	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.	P12 per 100 kgs. of GVW
(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	
GVW up to 4,500 kgs.	P15 per 100 kgs. of GVW
(C) Motorcycles —	
without sidecar	P150
with side car	P 240
(D) Buses	

GVW more than 4,500 kgs.	P15 per 100 kgs. of GVW
(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.	P12 per 100 kgs. 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	YEAR 1	YEAR 2	YEAR 3	YEAR 4 ONWARDS
PRIVATE AND GOVERNMENT				
A. PASSENGER CARS AND MOTORCYCLES WITH ENGINE DISPLACEMENT OF 400CC AND ABOVE				
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 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 A PUBLIC UTILITY BUS OR JEEPNEY SHALL ENJOY 50% DISCOUNT FROM THE ABOVE TAX RATES: PROVIDED, HOWEVER, THAT THE RATES OF MOTOR VEHICLE ROAD USER'S TAX SHALL BE INCREASED BY FIVE PERCENT (5%) EVERY YEAR EFFECTIVE ON THE FOURTH YEAR OF IMPLEMENTATION OF THIS ACT, THROUGH REVENUE REGULATIONS 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 THE PUBLIC HIGHWAYS BUT EXCEPTING AIRCRAFT, MOTOR BOATS, ROAD ROLLERS, TROLLEY CARS, STREET SWEEPERS, SPRINKLERS, LAWN MOWERS, BULLDOZERS, GRADERS, FORK LIFTS, AMPHIBIAN TRUCKS, CRANES NOT USED IN PUBLIC HIGHWAYS, 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 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 3. Section 4 of Republic Act No. 8749, as amended by Republic Act No. 11239, is hereby amended to read as follows:

"SECTION 4. ~~[Government Motor Vehicles]~~ 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 THE 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 4. 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 THE FUND ESTABLISHED UNDER THIS ACT SHALL BE DISTINCT AND SEPARATE FROM AND IN ADDITION TO ANY APPROPRIATION AUTHORIZED AND GRANTED ANNUALLY TO THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS: PROVIDED, FURTHER, 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, 2028 FOR THE MODERNIZATION OF PUBLIC UTILITY VEHICLES: PROVIDED, FURTHER, THAT THE EARMARKED FUNDS SHALL REVERT TO THE SPECIAL ACCOUNT IN THE GENERAL FUND EFFECTIVE JANUARY 1, 2029;**
- (2) FIVE PERCENT (5%) FOR GOVERNMENT PROGRAMS TO BE UNDERTAKEN FOR PREVENTION OF DEATHS DUE TO ROAD CRASH, AND ACCIDENT 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 CRASH;**
 - (E) THE PROVISION BY THE EMPLOYEES' COMPENSATION COMMISSION OF WORKMEN'S COMPENSATION FOR VICTIMS OF ROAD CRASH 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 OTHERWISE KNOWN AS THE WORKMEN'S COMPENSATION ACT; AND**
 - (F) THE ESTABLISHMENT BY THE DEPARTMENT OF HEALTH (DOH) OF EMERGENCY CARE FACILITIES IN AREAS THAT HAVE HIGH INCIDENCE OF ROAD ACCIDENTS."**

SECTION 5. *Implementing Rules and Regulations.* – The DOTr, in coordination with the DOF, the DOH, the LTFRB and the Department of Public Works and Highways, shall promulgate the rules and regulations to implement this Act within thirty (30) days from its effectivity.

SECTION 6. *Separability Clause.* – If any provision of this Act is declared unconstitutional or invalid, other parts or provision hereof not affected thereby shall continue to be in full force and effect.

SECTION 7. *Repealing Clause.* – All laws, orders, issuances, circulars, rules and regulation or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 8. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least one (1) newspaper of general circulation.

Approved,