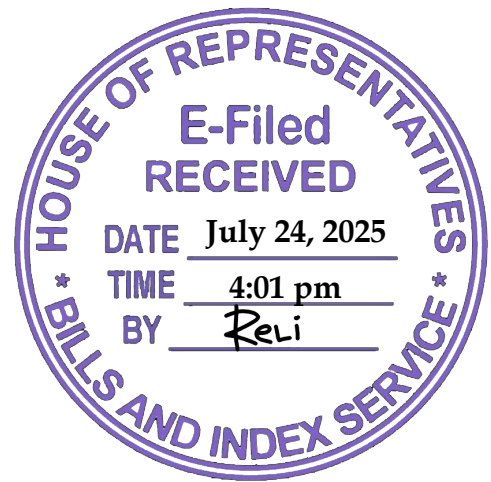




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. **2292**

Introduced by **Representative MA. VICTORIA CO-PILAR**

EXPLANATORY NOTE

The use of public roads and highways in the Philippines is growing rapidly alongside the increase in motor vehicle ownership and economic activity. However, the infrastructure and safety measures supporting this system have not kept pace. With deteriorating road networks, recurring road accidents, and the slow progress of the Public Utility Vehicle (PUV) Modernization Program, it is clear that the current framework under Republic Act No. 8794, as amended by Republic Act No. 11239, needs substantial revision to reflect modern realities.

This bill seeks to rename the Motor Vehicle User's Charge (MVUC) as the Motor Vehicle Road User's Tax (MVRUT) and to increase the tax rates to better support road maintenance, enhance road safety, and accelerate the implementation of the PUV modernization initiative. This change is not merely terminological. The new nomenclature clarifies that the tax is not just a user fee, but a mandatory fiscal policy instrument intended to fund key national programs affecting all road users especially commuters who rely on public transport. By updating the tax structure and directly linking it to road safety and transportation reform, this bill aims to foster a safer, more efficient, and more inclusive transportation system.

The problem being addressed is threefold. First, the current MVUC rates are outdated and insufficient to fund the increasing costs of maintaining and rehabilitating the country's road infrastructure. Second, road crashes remain a leading cause of death and injury in the Philippines, yet funding for prevention, emergency response, and victim support remains inadequate. Third, the PUV Modernization Program a flagship initiative to replace aging and environmentally harmful public transport units with safer and cleaner vehicles has faced major financial bottlenecks, especially for small transport cooperatives that struggle to meet equity requirements for new units.

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



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HOUSE BILL NO. **2292**

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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."

SEC. 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

1 registered as of the date of the effectivity of this Act, the MVUC to be paid
 2 shall be the private motor vehicle tax under Executive Order No. 43, series
 3 of 1986, plus twenty-five percent (25%) for the first year, fifty percent (50%)
 4 for the second year, seventy-five percent (75%) for the third year, and one
 5 hundred percent (100%) for the fourth year and thereafter: *Provided,*
 6 *however,* That private passenger cars to be registered for the first time after
 7 the effectivity of this Act, shall be subject to the MVUC rates prescribed in
 8 Section 3(b) hereof.]

9
 10 [“(b) Except as provided under Section 3(a) hereof, for each motor
 11 vehicle under each of the categories as herein provided, the MVUC shall
 12 be collected from and paid by the vehicle owner, at the following base
 13 rates plus twenty-five percent (25%) in the first year from the effectivity of
 14 this Act; the said base rates plus fifty percent (50%) in the second year from
 15 the effectivity of this Act; the said base rates plus seventy-five percent
 16 (75%) in the third year from the effectivity of this Act; and the said base
 17 rates plus one hundred percent (100%) in the fourth year from the
 18 effectivity of this Act and thereafter: *Provided,* That the MVUC for sports
 19 utility vehicles shall be fifteen percent (15%) higher than the MVUC herein
 20 set for private utility vehicles: *Provided, further,* That motorcycles for hire
 21 with sidecars shall not pay more than Three-hundred pesos (P300).]
 22
 23

[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		
GCW up to 2,700 kgs.		P1,000
GVW more than		1,000
2,700 kgs. - 4,500 kgs.		+P20 per 100 kgs. of
		GCW 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	
GCW up to 4,500 kgs.	P15 per 100 Kgs. Of GVW
C. Motorcycles	
Without sidecar	P150
With side car	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 19 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

1
2
3
4

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				
	2026	2027	2028	2029 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
TYPE OF VEHICLE				
	2024	2025	2026	2027

				ONWARDS
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	PER 3.40 KG OF	2.50 PER KG OF	5% INCREASE
GVW GVW GVW				
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

“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 JANUARY 1, 2027 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

1 **ENGINES OF ALL KINDS USED EXCLUSIVELY FOR AGRICULTURAL**
2 **PURPOSES.**

3
4 **“TRAILERS HAVING ANY NUMBER OF WHEELS, WHEN PROPELLED**
5 **OR INTENDED TO BE PROPELLED BY ATTACHMENT TO A MOTOR**
6 **VEHICLE SHALL BE CLASSIFIED AS SEPARATE MOTOR VEHICLE**
7 **WITH NO POWER RATING.**

8
9 **“(B) GROSS VEHICLE WEIGHT SHALL MEAN THE**
10 **MEASURED WEIGHT OF A MOTOR VEHICLE AS SPECIFIED BY THE**
11 **MANUFACTURER PLUS THE MAXIMUM ALLOWABLE CARRYING**
12 **CAPACITY IN MERCHANDISE, FREIGHT, OR PASSENGER AS**
13 **DETERMINED BY THE ASSISTANT SECRETARY OF THE LAND**
14 **TRANSPORTATION OFFICE (LTO).”**

15
16 SEC. 3. Section 4 of Republic Act No. 8794, as amended by Republic Act No.
17 11239, is hereby amended to read as follows:

18
19 **“SEC. 4. [Government Motor Vehicles] PAYMENT OF MOTOR**
20 **VEHICLE ROAD USER’S TAX. – The manner of payment of the**
21 **[user’s charge] MOTOR VEHICLE ROAD USER’S TAX on**
22 **government motor vehicles shall be in accordance with the procedure**
23 **that shall be promulgated by the Secretary of the Department of Budget**
24 **and Management (DBM)[.]:**

25
26
27 **“(A) MANNER OF PAYMENT – THE MOTOR VEHICLE ROAD**
28 **USER’S TAX SHALL BE PAID TO THE LTO ANNUALLY UPON**
29 **REGISTRATION, CONFORMABLY WITH THE REGULATIONS**
30 **ISSUED JOINTLY BY THE DEPARTMENT OF FINANCE (DOF)**
31 **AND THE DEPARTMENT OF TRANSPORTATION (DOTr).**

32
33 **“(B) MANNER OF COLLECTION OF REVENUES – THE MOTOR**
34 **VEHICLE ROAD USER’S TAX SHALL BE COLLECTED BY THE LTO**
35 **AS PART OF THE ANNUAL VEHICLE REGISTRATION IN**
36 **ACCORDANCE WITH THE RATES SET FORTH IN SECTION 3**
37 **HEREOF. THE DATES OF ANNUAL REGISTRATION OF MOTOR**
38 **VEHICLES SHALL BE BASED ON THE REGISTRATION SCHEME**
39 **PROVIDED BY THE LTO.**

1 “(C) *EFFECT OF FAILURE TO PAY MOTOR VEHICLE ROAD*
2 *USER’S TAX - ANY REGISTRATION OF MOTOR VEHICLES NOT*
3 *RENEWED ON OR BEFORE THE DATE FIXED BY THE LTO SHALL*
4 *BE CONSIDERED DELINQUENT AND INVALID.*”

5
6 SEC. 4. Section 7 of Republic Act No. 8794, as amended by Republic Act No.
7 11239, is hereby further amended to read as follows:

8
9 “SEC. 7. Disposition of Monies Collected. – All monies collected
10 under this Act shall be remitted to the National Treasury under a
11 special account in the General Fund [to be earmarked solely] for the
12 construction, upgrading, repair and rehabilitation of roads, bridges,
13 and road drainage [to be included in the annual General
14 Appropriations Act.]: *PROVIDED, THAT THE FUND*
15 *ESTABLISHED UNDER THIS ACT SHALL BE DISTINCT AND*
16 *SEPARATE FROM AND IN ADDITION TO ANY*
17 *APPROPRIATION AUTHORIZED AND GRANTED ANNUALLY*
18 *TO THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS:*
19 *PROVIDED, FURTHER, THAT FIFTY PERCENT (50%) OF THE*
20 *INCREMENTAL REVENUES COLLECTED UNDER THIS ACT*
21 *SHALL BE ALLOCATED AND USED 3 EXCLUSIVELY FOR THE*
22 *FOLLOWING PURPOSES:*

23
24 “(1) *FORTY-FIVE PERCENT (45%) FOR THE 6 MODERNIZATION OF*
25 *PUBLIC UTILITY VEHICLES, PARTICULARLY FOR THE*
26 *EQUITY SUBSIDY OF PUBLIC TRANSPORT OPERATORS*
27 *CONSOLIDATED AS TRANSPORT COOPERATIVES FOR THE*
28 *ACQUISITION OF EURO-4 COMPLIANT PUBLIC UTILITY VEHICLES*
29 *PLYING AUTHORIZED ROUTES AS DETERMINED BY THE DOTr AND*
30 *THE LAND TRANSPORTATION FRANCHISING AND REGULATORY*
31 *BOARD (LTFRB): PROVIDED, THAT SAID INCREMENTAL REVENUES*
32 *SHALL BE EARMARKED UPON APPROVAL OF THIS ACT UNTIL*
33 *DECEMBER 31, 2028 FOR THE MODERNIZATION OF PUBLIC UTILITY*
34 *VEHICLES: PROVIDED, FURTHER, THAT THE EARMARKED FUNDS*
35 *SHALL REVERT TO THE SPECIAL ACCOUNT IN THE GENERAL FUND*
36 *EFFECTIVE JANUARY 1, 2029;*

37
38 “(2) *FIVE PERCENT (5%) FOR GOVERNMENT PROGRAMS TO BE*
39 *UNDERTAKEN FOR PREVENTION OF DEATHS DUE TO ROAD*
40 *CRASH, AND ACCIDENT VICTIMS’ ASSISTANCE, INCLUDING THE*
41 *FOLLOWING:*

1
2 “(A) THE IMPROVEMENT OF EXISTING DRIVERS’ EDUCATION
3 PROGRAMS, TRAINING ACADEMIES AND DRIVERS’ LICENSE
4 EXAMINATIONS BY THE LTO;

5
6 “(B) THE ESTABLISHMENT OF ADDITIONAL
7 MOTOR
8 VEHICLE INSPECTION CENTERS BY THE LTO;

9
10 “(C) THE IMPROVEMENT OF ROAD MANAGEMENT
11 SYSTEMS BY THE DOTr;

12
13 “(D) THE PROVISION OF SUPPLEMENTAL
14 HOSPITALIZATION COVERAGE BY THE PHILIPPINE HEALTH
15 INSURANCE CORPORATION (PHILHEALTH) FOR VICTIMS OF ROAD
16 CRASH;

17
18 “(E) THE PROVISION BY THE EMPLOYEES’ COMPENSATION
19 COMMISSION OF WORKMEN’S COMPENSATION FOR VICTIMS OF
20 ROAD CRASH WHO ARE UNABLE TO BE GAINFULLY EMPLOYED
21 FOR A CONTINUOUS PERIOD DUE TO DISABILITY, PURSUANT TO
22 THE PROVISIONS OF REPUBLIC ACT NO. 772, AS AMENDED
23 OTHERWISE KNOWN AS THE WORKMEN’S COMPENSATION ACT;
24 AND

25
26 “(F) THE ESTABLISHMENT BY THE DEPARTMENT OF HEALTH (DOH)
27 OF EMERGENCY CARE FACILITIES IN AREAS THAT HAVE HIGH
28 INCIDENCE OF ROAD ACCIDENTS.”

29
30 **SEC. 5. *Implementing Rules and Regulations.*** - The DOTr, in coordination with the
31 DOF, the DOH, the LTFRB and the Department of Public Works and Highways, shall
32 promulgate the rules and regulations to implement this Act within thirty (30) days
33 from its effectivity.

34
35 **SEC. 6. *Separability Clause.*** - If any provision of this Act is declared unconstitutional
36 or invalid, other parts or provision hereof not affected thereby shall continue to be in
37 full force and effect.
38

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

4
5 **SEC. 8. *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,