

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1294



Introduced by **HONORABLE LUIS RAYMUND F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

on June 27, 2000, Republic Act No. 8794 (RA 8794) was enacted putting in place the motor vehicle user's charge (MVIJC) in lieu of the registration fee and the Private Motor Vehicle Tax. Along with having a single law that provides for the annual motor vehicle registration fees. RA 8794 increased the rates by 100% from the previous levels but the increase in the rates was done in four tranches from 2001 to 2004.

It is noted that while Section 3 Of RA 8794 grants the President the authority to adjust annually the MVLJC rates after the 4th year of its effectivity, the existing rates, however, have not been adjusted since 2004 despite the difference the inflation rate from when the Act was enacted to until the present,

This measure proposes that MVUC rates be adjusted upward on the basis of the officially published inflation rate computed cumulatively from 2005 to 2017 and after the first year of implementation, the rates shall be automatically increased by 4% annually. Following this, the 2017 rates as compared to the 2000 and 2004 rates are as follows:

Type of Vehicle	2000 Rates	2004 Rates	2017 Rates
I. Private and Government			
A. Passenger Cars			
1 GVW Up to 1600kgs.	P800	up 1600	P2912
(2) GVW more than 1,600 kgs. -2.300kgs.	1.800	3600	6.552
(3) GVW more than 2.300	4.000	8000	14,560
B.f. Util Vehicles			

GVWu to 2700k s.	p 1 000	P2000	P3.640
GVW more than 2.700 Kgs, —4,500 kgs.	1,000 P20 per 100 kgs. GVW over 2700 s.	2000 t P40 per 100 kgs. of GVW over	3,640 P73 per 100 kgs. of GVW over

		2 700 k	2700k s.
B.2. SPORTS UTILITY VEHICLES			
GVWu 2.700 k s.	150	P2300	P4.186
GVW more than 2,700 kgs. — 4,500 kgs.	1.150 P23 per 100 kgs of GVW over 2,700 kgs.	2300 P46 per 100 kgs of GVW over 2 700 k	4.186 P84 per 100 kgs of GVW over 2.700 kgs.
C. Mo Cles			
Without sidecar	P120	P240	P437
With side car	150		546
D. Buses			
GVW more than 4,500 kgs.	P900 PI 2 per 100 kgs. Of GVW over 2.700	P1800 P24 per 100 kgs. Of GVW over 2 700k s.	P3,276 per 100 kgs. Of GVW over 2.700 k s.
E. Trucks			
GVW more than 4.500 kgs	P900 P12 per 100 kgs.of GVW over 2.700 kgs.	P1800 P24 per 100 kgs.of GVW over 2 700 k	P3.276 P44 per 100 kgs.of G VW over 2 700 k s,
F. Trailers			
GVW more than 4.500 kgs.	P12 per 100 Kgs. Of GVW	P24 per 100 Kgs. Of GVW	P44 per 100 Kgs. Of GVW
II. For Hire			
A. Passe er Cars			
1 GVWU to 1.600k s.	P450	pg00	PI 4638
(2) GVW more than 1.600 k s. -2.300k s.		1800	3.276
(3) GVW rmore than 2.300	2.500		9.100
B. Utili Vehicles			

GVW up to 4,500 kgs.	P15 per 100 kgs. Of GVW	P30 per 100 k s. Of GVW	P55 per 100 k . OfGVW
C. Mo Cles			
Without sidecar	p 150	P300	P546
With side car	240	300	546
D. Buses			
GVW more than 4,500 kgs.	P15 per 100 kgs. of GVW	P30 per 100 k s. of GVW	P55 per 100 k s. of GVW
E. Trucks			
GVW more than 4 ,500 kgs	P900 4 P12 per 100 k s.Qt GVW	P1800 P24 s.of	P3.276 P44 IOOk s.ot
	over 2,700 kgs.	GVW over 2 700	GVW over 2700 s.
F. Trailers			
GVW more than 4,500 kgs.	Pi2 per 100 kgs. Of GVW	P24 per 100 Kgs. Of GVW	P44 per 100 kgs. Of GVW

The MVUC rates need to be adjusted in order to keep them updated and to ensure buoyancy of the revenue system to sustain sufficient funding for the provision of better infrastructure and social protection for the people.

Further, it is proposed that various road funds will be merged with the general fund, and roads board shall be abolished for efficiency and better linkages With budget. This further allows for better accountability of the various road funds for a more effective program implementation and fund management.

As this bill aims to better manage the MVUC through merging with the general appropriations fund. this will enable a more transparent and proper management Of the appropriation. This will also discourage misuse of the funds and apportion it exactly.

The revenues from the proposed increase of MVIJC rates will be one of the sources Of funding that will finance road infrastructure projects of the government. Roads are especially important for transport and accessibility for the citizenry, As a priority of this administration and a matter of national importance, infrastructure programs help underdeveloped areas in the country to be provided proper and appropriate facilities. The revenues Will therefore aid in the vision of a more developed infrastructure program for the country.

In light of the foregoing. passage of this bill is earnestly sought.


LUIS RAYMUND F. VILLAFUERTE, JR.

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EIGHTEENTH CONGRESS
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HOUSE BILL NO. 1294

Introduced by **HONORABLE LUIS RAYMUND F. VILLAFUERTE, JR.**

AN ACT
AMENDING REPUBLIC ACT 8794 ENTITLED "AN IMPOSING
A MOTOR VEHICLE USERS CHARGE ON OWNERS OF ALL
TYPES OF MOTOR VEHICLES AND FOR OTHER
PURPOSES".

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 '-2017 MVUC Law'

SEC 2. Declaration of Policy — it is hereby declared as the policy of the State to ensure buoyancy of the revenue system to sustain sufficient funding for the provision of better infrastructure and social protection for the people.

SEC 3. Section 2 Of Republic Act No-879.4 hereby amended as *follows*:

Section 2. Coverage. (In lieu of the registration fee under section 8 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 USER CHARGE SHALL CONTINUE TO 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, which shall be collected from and paid by the owner of the motor vehicle.**

(a) For private passenger cars registered as of the date of the effectivity of this Act, the MVLJC 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 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 3(a) hereof, for each motor vehicle under each of the categories as herein provided, the MVI_JC 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 said base rates plus one hundred percent (100%) in the fourth year from the effectivity of this Act and their after: Provided. That the MVUC for the 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 (300.00).¹

Section 3. Rates of Motor Vehicle User Charge.

~~[(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 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) hereon

(b) Except as provided under 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 said base rates plus one hundred percent (100%) in the fourth year from the effectivity of this Act and their after: Provided. That the MVUC for the sports utility vehicles shall be fifteen percent (15%) higher than the MVIJC herein set for private utility vehicles: Provided, further, that motorcycles (or hire with sidecars shall not pay more than three-hundred pesos (300.00).]

THE MOTOR VEHICLE USER CHARGE PROVIDED UNDER REPUBLIC ACT 8794 IS HEREBY INCREASED AS FOLLOWS:

Type of Vehicle	4.000	4,186 +PB4per 100 kgs of GVW over 2, 700 kgs
I. Private and Government	P1, 1,000 + P20 per 100 kgs. of GVW over 2,700 kgs.	P437 546
A. Passenger Cars (t) GVW up to 1.600 kgs. (2) GVW more than 1,600 kgs. -2.300 kgs. (3) GVW more than 2,300 kgs.	pl,150 1,150 + P23 per too kgs of GVW over 2,700 Kgs, p 120	P3.276 P44 per 100 kgs. Of GVW over 2,700 kgs. P3,276 + P44 per 100 kgs. of
These rates have been interested in 2001.2002.2003 and 2004 through i)P'V Department Order No. 2000		
B.f. Utility Vehicles GVW up to 2,700 kgs. GVW more than 2,700 kgs. - 4,500 kgs.	150 P900 • P12 per 100 kgs. Of GVW over 2,700 kgs.	GVW over 2.700 kgs. P44 per 100 Kgs. of GVW
8.2. SPORTSUTILITY VEHICLES GVW up to 2.700 kgsGVW more than 2.700 kge - 4.500 kgs.	P900 + P12 per 100 kgs. of GVW over 2,700 kgs.	(1) GVW up to 1,600 kgs. (2) GVW more than 1 ,600 kgs. -2.300 kgs.
C. Motorcycles Without sidecar With side car	P12 per 100 Kgs. Of GVW 2017 RATES	(3) GVW more than 2.300 kgs.
D. Buses GVW more than 4,500 kgs.		B. utility Vehicles GVW up to 4.500 Kgs.
E. Trucks GVW more than 4.500 kgs		C. Motorcycles Without sidecar With side car
F. Trailers GVW more than 4.500 kgs.	P2912 6.552	D. Buses GVW more than 4.500 kgs. E. Trucks GVW more than 4,500 kgs
II. For Hire A. Passenger Cars [Base Rates as ot 2000'	14,560 P3.640 3.640 + P73 per 100 kgs. of GVW over 2.700 kgs.	F. Trailers GVW more than 4,500 kgs.
P800	pa, 186	P4
1,800		

900 2,500

P15 per 100 Kgs.Of
GVW

p t 50 240

P15 per 100 Kgs. of
GVW

P900 * P12 per 100
kgs.of GVW over
2.700 kgs.

P12 per 100 Kgs. Of
GVW I
p 63B

3,276

9.100

P55 per 100 Kgs. Of
GVW

p 546
546

P55 per 100 Kgs. of
GVW

P3,276 + P44per 100
kgs.of GVW over 2, 700
kgs.

P44 per 100 Kgs.
01 GVW

After the first year from the effectivity of this Act. THE RATES [the President of the Philippines may adjust the rates- I contained in Section 3 hereof [which] shall be AUTOMATICALLY INCREASED BY 4% ANNUALLY. the President may adjust such rates not more than once every five (5) years.]

SEC 4. Government Motor Vehicles — The manner of payments of the user's charge on government motor vehicle shall be in accordance with the procedure that shall be promulgated by the Secretary of the Department Management (DEM).

SEC 5. Reclassification and New Models of Motor Vehicle — The Land Transportation Office (L TO) shall submit any recommendation for any change in motor vehicles above-listed for approval by the Secretary of the Department of Transportation and Communications (DOTC). manufacturers and/or assemblers of motor vehicle shall, not later than three (3) months prior to the introduction Of any new model of motor vehicle in the market. submit the specification of the new model and the rate or the MVUC under which the new model Shall fall. The LTO shall also release the proper classification of said new motor vehicle model on or before the scheduled release of such new model to the market. but in no case later than three (3) months after its receipt the new motor vehicle's specifications.

SEC 6. Penalty for Overloading — An amount equivalent to twenty-five percent (25%) of the MVUC shan be imposed on trucks and trailers for loading beyond their prescribed gross vehicle weight: provided. That no axle load shall exceed thirteen thousand five hundred kilograms (13,5000kgs).

SEC 7. Section 7 of RA 8794 is hereby amended to read as follows:

Section 7. Disposition of Monies Collected. All monies collected under this Act shall ACCRUE TO THE GENERAL FUND TO FINANCE ROAD INFRASTRUCTURE PROJECTS OF THE GOVERNMENT WHICH SHALL BE ALLOCATED IN THE ANNUAL GENERAL APPROPRIATIONS ACT, t be earmarked solely and used exclusively (1) for road maintenance and the improved of the road drainage. (2) for the installation of adequate and efficient traffic lights and road safety devices, and (3) for the air pollution control.

All such monies collected shall be deposited in four (4) special trust accounts in the National Treasury. namely: (1) Special Road Support Fund; (2) Special Local Road Fund; (3) Special Road Safety Fund; and (4) Special Vehicle Pollution Control Fund. The distribution of collections under this Act shall be as follows:

1. Eighty percent (80%) shall be allotted to and placed in the Special Road Support Fund;
2. Five percent (5%) Shall be allotted to and placed in the Special Local Road Fund:
3. Seven and one half percent (7.5%) shall be allotted to and placed in the Special Vehicle Pollution Control Fund.

The Special Road Support Fund, the Special Local Road Fund Shall be under the DPWH, whereas the Special Vehicle Pollution Control Fund shall be under the DOTC.

Seventy percent (70%) of the Special Road Support Fund shall be used for the maintenance of, and the improvement of drainage of national primary roads. The remaining thirty- percent (30%) thereof shall be allocated and use for the maintenance. and improved of drainage of national secondary roads throughout the country.

The cost of installation of adequate and efficient traffic lights and road safety devices throughout the country, where such traffic lights and safety devices are needed. shall be taken from the Special Road safety devices.

The Special Local Road Fund shall be apportioned to provincial and city governments in accordance with the vehicle population and size of the road network under their respective jurisdictions, and shall be used exclusively for maintenance of local roads. traffic management and rod safety devices.

A Road Board to implement the prudent and efficient management and utilization of the special funds shall be organized by the President of the Philippines. The Road Board shall be composed of seven (7) members, with the secretary of the DPWH as ex-officio head. and the secretaries of the Department of Finance. Budget and management, and the Transportation and Communication. as ex officio members. The remaining three (3) members shall come from transport and motorist organization, which have been in existence and active for the last five (5) years prior to this Act. They shall be appointed for the term of two (2) years each by the President of the Philippines upon the recommendation of the secretaries of the DPWH and the DOTC.I

SEC 8. Section 80fRA 8794 is hereby repealed.

[Section 8. Status of the Special Funds. — The four (4) special funds established under this Act shall be distinct and separate from and in addition in any appropriation authorized and granted yearly to the DPWH and the DOTC. To cover expenditures for the identified objects of expenditures under this Act, Congress snail continue to appropriate an amount in the General Appropriations Act for road maintenance of the DPWH: Provided, however, that any savings for each year out of such appropriation shall revert to the General Fund. Any savings from the special funds created herein shall accrue to these respective special funds.]

SEC 9. Section 9 Of Republic Act NO 8794 Shall be amended as follows:

Section 9, Implementing Rules and Regulation, -The [Secretaries of the] DPWH, land the DOTC] DBM, DOF AND THE BTR shall jointly by thirty (30) days from the effectivity of this Act. promulgate the rules and regulation to implement THE [and carry out the intent. objectives, purposes and] provisions of this Act. including such structural and procedural improvement in the systems and agencies concerned as may be necessary to ensure the prudent. wise. effective and efficient utilization of the special funds established under this Act: Provided, That the secretary of the DPWH shall prepare the portion of their implementing rules and regulation pertaining to the Special Road Support Fund, the Special Local Road Fund, and the Special Road Safety Fund, and the Secretary of the DOTC shall prepare the portion of the implementing rules and regulation pertaining to the collection of the MVIJC Staffed under Section 3 of this Act and on the disposition of the monies acquiring to the Special Pollution Control Fund,]

SEC 10. Section 11 of Republic Act No 8794 shall be amended as follows:

Section II. Repealing Clause — [Except as provided under Section 3 hereof, all other provision of Executive Order No. 43. series of 1986. and section B of Republic Act No. 4136. as amended by Batas Pambansa Bilang 74, and) All other laws, orders issuance, circulars. rules and regulation or parts thereof/ which are inconsistent with the provision of this Act are hereby repealed or modified Accordingly.

SEC 11. 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

SEC 12. Effectivity — This Act shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation-

Approved.