



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

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **3928**



Introduced by Representative Sharon S. Garin

EXPLANATORY NOTE

In the Mid-Year report of 2015, the Philippines ranked as the fifth (5th) country in the world with the worst traffic conditions. In a study, it was reported that average one-way commuting and traveling time or time index in the Philippines spans 46.09 minutes before people reach their destination.

If this traffic situation continued, the Metro Manila, in particular, is at risk of becoming uninhabitable in the next few years. One of the identified primary reasons of worst traffic situation is the annual new car growth increase.

According to the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI), the Philippines is seen as an important automotive market growth area in the region as the volume of vehicles sold is expected to surge. Domestic vehicle sales in 2020 would account to between eight percent (8%) to ten percent (10%) of the projected total sales of five to six (6) million units within member economies of the Association of Southeast Asian Nations (ASEAN). From 168,000 units sold in 2010, vehicle sales in the country reached 269,000 units in 2014 and are expected to surpass industry target of 310,000 units in 2015. For this year, vehicle sales reaching a new high of 350,000 units, on its way to 500,000 units by 2020.

In conjunction with other measures of improving access roads and government projects in addressing the traffic situation, this bill seeks to ease the volume of the vehicles by increasing the motor vehicle user's charge (MVUC) under Republic Act No. 8794 for the second and succeeding vehicles owned and registered by a person regardless of the type of vehicle.

This bill imposes higher fees for every additional vehicle purchased. The more vehicles owned and registered, the higher the MVUC imposed. However, those persons engaged in the business of transportation or whose business requires more than one (1) vehicles is not covered by the increased rates.

Moreover, the implementing agency is mandated to make the necessary rules and regulations to prevent circumvention of this measure such as naming the second and succeeding vehicles to other person when in fact registered person does not own or has no capacity to buy such vehicle.

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


SHARON S. GARIN
Party-list, AAMBIS OWA



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**AN ACT INCREASING RATE CHARGES ON THE SECOND
AND SUCCEEDING REGISTERED MOTOR VEHICLE
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8794**

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

Section 1. A new Section 3-A of the Republic Act No. 8794 shall be inserted to be read as follows:

"Section 3-A *Rates of the Second and Subsequent Motor Vehicle User's Charge.*- The second and succeeding private and government vehicles, regardless of the type of the vehicles, owned and registered by a person as of the date of the effectivity of this Act, the MVUC to be paid shall be:

Quantity Owned	MVUC imposed under EO 43 S. 1986	In addition, for 1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
Second Car	2x	30%	60%	90%	120%	150%
Third Car	3x	40%	80%	120%	160%	200%
Fourth Car	4x	50%	100%	150%	200%	250%
Fifth Car	5x	60%	120%	180%	240%	300%

For the second vehicle of a person, the MVUC shall be twice the amount imposed under E.O. 43, S. 1986 plus thirty percent (30%) for the first year, sixty percent (60%) for the second year, ninety percent (90%) for the third year, one hundred twenty percent (120%) for the fourth year, and one hundred fifty percent (150%) for the fifth year and after;

For the third vehicle of a person, the MVUC shall be thrice the amount imposed under E.O. 43, S. 1986 plus forty percent (40%) for the first year, eighty percent (80%) for the second year, one hundred twenty percent (120%) for the third year, one hundred sixty percent (160%) for the fourth year, and two hundred percent (200%) for the fifth year and after;

For the vehicle car of a person, the MVUC shall be four (4) times the amount imposed under E.O. 43, S. 1986 plus fifty percent (50%) for the first year, one hundred percent (100%) for the second year, one hundred fifty percent (150%) for the third year, two hundred percent (200%) for the fourth year, and two hundred fifty percent (250%) for the fifth year and after;

For the vehicle car of a person, the MVUC shall be four (5) times the amount imposed under E.O. 43, S. 1986 plus sixty percent (60%) for the first year, one hundred twenty percent (120%) for the second year, one hundred eighty percent (180%) for the third year, two hundred forty percent (240%) for the fourth year, and three hundred percent (300%) for the fifth year and after;

For the succeeding cars of a person, the MVUC shall be as imposed as many times in such sequence and rates in accordance with the above pattern and formula.

This Section shall not apply to those person engaged in the business of transportation or whose nature of business requires more than one vehicle. *Provided*, That the appropriate government agency shall formulate rules and regulations in such a way that the provisions of this Act will not in any way be circumvented.

For this purpose, a person is engaged in the business of transportation when there is a legal obligation to carry passengers or freight or cargo for a fee, and has no reasonable ground to refuse to do so subject to the laws, rules and regulations of transportation, and other relevant laws.”

SEC. 2. *Implementing Rules and Regulations.* - The Secretaries of the Transportation and the Public Works and Highways shall jointly within thirty (30) days from the effectivity of this Act, promulgate the rules and regulation

to implement and carry out the intent, objectives, purposes and provisions of this Act.

Sec. 3. *Repealing Clause.* – All laws, acts, decrees, executive orders, issuances, and rules and regulations or parts thereof which are contrary to and inconsistent with any provisions of this Act are hereby repealed, amended, or modified accordingly.

Sec. 4. *Separability Clause.* – If any provision of this Act is subsequently declared unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

Sec. 5. *Effectivity.* - This Act shall take effect immediately after its complete publication either in the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,