



REPUBLIC OF THE PHILIPPINES
Congress of the Philippines
Metro Manila
Eleventh Congress

REPUBLIC ACT NO. 8794 June 27, 2000

AN ACT IMPOSING A MOTOR VEHICLE USER'S 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. Declaration of Policy.-it is hereby declared as the policy of the States to provide for an ensure the adequate maintenance of national and provincial roads through sufficient funding the purpose.

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 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 3. Rates of the Motor Vehicle User's 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) hereof.

(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 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).

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 2,700 kgs. – 4,500 kgs.	1,000 +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.
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E. Trucks

GVW more than 4,500 kgs	P900+P12 Per 100 kgs. of GVW over 2,700 kgs.
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F. Trailers

GVW more than 4,500 kgs.	P12 per 100 Kgs. Of GVW
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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
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C. Motorcycles

Without sidecar	P150
With side car	240

D. Buses

GVW more than 4,500 kgs.	P15 per 100 Kgs. of GVW
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E. Trucks

GVW more than 4,500 kgs	P900+P12 per 100 kgs. of GVW over 2,700 kgs.
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F. Trailers

GVW more than 4,500 kgs.	P12 per 100 Kgs. Of GVW
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After the fourth year from the effectivity of this Act, their president of the Philippines may adjust the rates contained in section 3 which shall be reflected but shall not exceed the annual rates of the Consumer Price Index (CPI). The President may adjust such rates not more than once every five (5) years.

Section 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 (DBM).

Section 5. Reclassification and New Models of Motor Vehicle- The Land Transportation Office (LTO) 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). All 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 of 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 of the new motor vehicle's specifications.

Section 6. Penalty for Overloading- An amount equivalent to twenty five percent (25%) of the MVUC shall 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(13,500kgs).

Section 7. *Disposition of Monies Collected.* All monies collected under this Act shall 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 though out the country, where such traffic lights and safety devices are needed, shall be taken from the Special Road 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 exofficio head, and the secretaries of the Department of Finance, Budget and management, an 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.

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 shall 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.

Section 9. *Implementing Rules and Regulation.*-The secretaries of the DPWH and the DOTC shall jointly by 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, 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 MVUC staffed under Section 3 of this Act and on the disposition of the monies acquiring to the Special Pollution Control Fund.

Section 10. *Prohibition Against the Imposition of Similar Charge on Users of Motor Vehicle.*- No other Tax, fee or any other charge of similar nature, as the Motor Vehicle User's Charge shall be imposed by any political subdivision or unit in the country.

This provision shall apply to all motor vehicles, including tricycles, motorized pedicads and "*trisikads*".

Section 11. *Repealing Clause.*-Except as provided under Section 3 hereof, all other provision of Executive Order No. 43,series of 1986, and section 8 of Republic Act No. 4136, as amended by Batas Pambansa Bilang 74, and all other laws, orders inssuance, circulars, rules and regulation or parts thereof, which are inconsistent with the provision of this Act are hereby repealed or modified Accordingly.

Section 12. *Seperability 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 13. *Effectivity.*- This Act shall take effect fifteen (15) days following its publication in at lease two (2) newspapers of general circulation .

Approved: June 27, 2000

(Sgd.) **JOSEPH E. ESTRADA**
President of the Philippines

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