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

NINETEENTH CONGRESS
First Regular Session

House Bill No. 8049

HOUSE OF REPRESENTATIVES
RECEIVED
DATE 10 MAY 2023
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BY Aizn

Introduced by Representative Midy N. Cua
Lone District, Quirino

AN ACT
AMENDING 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 PRUPOSES," AS AMENDED BY REPUBLIC ACT NO. 11239

EXPLANATORY NOTE

The motor vehicle user's charge (MVUC) was imposed on private, for hire, and government motor vehicles under Republic Act No. 8794. in lieu of the registration fee under Section 8 of the Republic Act. No. 4136, as amended by BP 74 and the Private Motor Vehicle Tax under Executive Order No. 43, series of 1986. The MVUC was implemented to secure funding for the maintenance of national and provincial roads and address the negative impact of vehicles on the environment. Since the enactment of RA No. 8794 in 2000. the MVUC rates were only adjusted in 2004 and have not been adjusted for inflation for the past 18 years.

More than two decades have passed since the first implementation of the MVUC, with changing times calling for the demand to make the MVUC simpler. This bill, following House Bill No. 6136 filed by the Representation in the 18th Congress, introduces the Motor Vehicle Road User's Tax (MVRUT). This proposed bill imposes an optimal motor vehicle road user's tax for all private or for hire motor vehicles including government-owned vehicles, while motorcycles with or without sidecars are excluded from the MVRUT. A lower rate is charged for vehicles for hire—pegged at 50% of the MVRUT rate for private and government vehicles.

This bill also retains the existing multi-tiered structure and phased increase for three years to cushion the impact of the proposed MVRUT rates increase. In the fourth year of implementation. the MVRUT system is proposed to be simplified by applying a single rate for all types of motor vehicles, whether private, government or for hire. The revenues from the proposed increase of MVRUT will finance road infrastructure projects, modernization of public utility vehicles, and government programs for the prevention of road accidents.

This measure previously passed the third reading in the 18th Congress, and was filed by Representatives Joey Sarte Salceda, Luis Raymund "LRay" F. Villafuerte, Jr., Alfred Vargas, Bienvenido M. Abante, Jr., Estrellita B. Suansing, Sharon S. Garin, Alyssa Sheena P. Tan, Kristine Singson-Meehan, Stella Luz A. Quimbo, Mohamand Khalid Q. Dimaporo, Elpidio F. Barzaga, Jr., Wilton "Tonton" T. Kho, Faustino Michale Carlos T. Dy, III, Paul Ruiz Daza, Jose "Jun" L. Ong, Jr., Joselito "Joel" S. Sacdalan, Cesar "Jawo" I. Jimenez, Jr., Emmarie "Lolypop" Ouano-Dizon, Eric G. Tap, Mark O. Go, Joy Myra Salvador-Tambunting, Adriano A. Ebcas, Jose Enrique "Joet" S. Garcia,

III, Allan Benedict S. Reyes, Ronnie L. Ong, Isidro T. Ungab, Junie E. Cua, Jose "Ping-Ping" I. Tejada, Micaela S. Violago, Greg G. Gasataya, Romeo M. Jalosjos, Jr., Juan Miguel Macapagal Arroyo, Peter John D. Calderon, Manuel Jose "Manmix" M. Dalipe, Ed Christopher S. Go, Way Kurat Zamora, Narciso R. Bravo, Jr., Glona G. Labadlabad, Jose Francisco "Kiko" B. Benitez, Maximo Y. Dalog, Jr., Ramon "Mon-Mon" V. Guico III, Tyrone D. Agabas, Adbullah D. Dimaporo, Yasser Alonto Balindong, Gabriel H. Bordado, Jr., Isagani S. Amatong, Joel Mayo Z. Almario, Lorenz R. Defensor, Alfred C. Delos Santos, Ferdinand R. Gaite, and Rossana 'Ria" Vergara as authors thereof.

In view of the foregoing, approval of this measure is earnestly sought.

MIDY N. CUA
Representative
Lone District, Quirino

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AN ACT
AMENDING 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 PRUPOSES," 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. This Act shall be known as the "Motor Vehicle Road User's Tax Act."

SEC. 2. 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 dee 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. 3. 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 lax 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	
GVW up to 2,700 kgs.	P1,000
GVW more than 2,700 kgs. – 4,500 kgs.	P1,00 + P20 per 100 kgs. 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.	P900+P12 per 100 kgs. of GVW over 2,700 kgs.
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	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	**2023**	**2024**	**2025**	**2026 ONWARDS**
PRIVATE AND GOVERNMENT				
A. PASSENGER CARS:				
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 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 GVW	2.50 PER KG OF GVW	3.40 PER KG OF GVW	5% INCREASE
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 FOR HIRE VEHICLES SHALL BE SUBJECT TO 50% OF THE ABOVE TAX RATES. *PROVIDED, HOWEVER*, THAT IN THE EVENT THE ABOVE TAX RATE WILL RESULT IN DOWNWARD ADJUSTMENT OF TAX RATES, THE APPLICABLE MOTOR VEHICLE ROAD USER'S TAX OF THE PRECEDING YEAR SHALL BE APPLIED.

"*PROVIDED, FURTHER*, THAT THE RATES OF MOTOR VEHICLE ROAD USER'S TAX SHALL BE INCREASED BY FIVE PERCENT (5%) ANNUALLY EFFECTIVE JANUARY 1, 2026 THROUGH REVENUE REGULATIONS TO BE 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, AND CRANES NOT USED IN PUBLIC HIGHWAYS, VEHICLES WHICH RUN ONLY ON RAILS OR TRACKS, TRACTORS AND 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).

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

"[SEC. 4. GOVERNMENT MOTOR VEHICLES. –]

"SEC. 4. 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 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."

SEC. 5. Section 7 of the 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 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, 2027 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, 2028;

"(2) FIVE PERCENT (5%) FOR GOVERNMENT PROGRAMS TO BE UNDERTAKEN FOR PREVENTION OF DEATHS DUE TO ROAD ACCIDENTS, 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 ACCIDENTS;
e) THE PROVISION BY THE EMPLOYEES' COMPENSATION COMMISSION OF WORKMEN'S COMPENSATION FOR VICTIMS OF ROAD ACCIDENTS 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 OR 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.

SEC. 6. *Implementing Rules and Regulations.* – The DOTr, in coordination with the DOF, the DOH, and the LTFRB shall promulgate the rules and regulations to implement this Act within thirty (30) days from its effectivity.

SEC. 7. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations or parts thereof, which are inconsistent with this Act, are hereby repealed, amended or modified accordingly.

SEC. 8. *Separability Clause.* – If any provision of this Act is held unconstitutional or invalid, all other provisions not affected thereby shall remain valid.

1 **SEC. 9.** *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official*
2 *Gazette* or in a newspaper of general circulation.
3
4 Approved,