

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

House Bill No. **7334**



INTRODUCED BY REPRESENTATIVE ALFRED VARGAS

EXPLANATORY NOTE

Statistics show that more than Six Hundred Thousand (600,000) diesel-fuelled, jeepneys, buses, trucks and other vehicles in our urban areas are responsible for about 80% of the total black carbon emissions in our country. The economic cost of health impacts of air pollution from road transport is estimated at 88% of the total Motor Vehicle's User's Charge (MVUC) collections.

In the Global Climate Risk Index, of 2018, the Philippines ranked fifth with respect to countries most affected by extreme weather events. The well-known advance effects of pollution and climate change call for the promotion of green vehicles to achieve a healthy environment.

It is with vital importance to amend Republic Act 8794, otherwise known as the "Motor Vehicle User's Charge Act of 2000," by exempting green vehicles from the MVUC in order to encourage motorists to shift to clean energy sources of fuel. Promoting green vehicles will help the Philippines in its effort to reduce carbon dioxide emissions, interest fuel savings and improve health conditions.

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


ALFRED VARGAS

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AN ACT EXEMPTING PUBLIC UTILITY VEHICLES FROM THE MOTOR VEHICLES USER'S CHARGE, AMENDING FOR THE PURPOSE SECTIONS 2 AND 3 OF REPUBLIC ACT NO. 8794, OTHERWISE KNOWN AS THE "MOTOR VEHICLE USER'S CHARGE ACT OF 2000"

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

SECTION 1. Section 2 of Republic ACT (R.A.) No. 8794, otherwise known as the "Motor Vehicle User's Charge Act of 2000," 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 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 2. Section 3 of R.A. No. 8794 is hereby further amended to read as follows:

" Sec 3. Rates of the Motor Vehicle User's Charge. –

" a) x x x

" 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 (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 thereafter; 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 (P300.00).

Type of Vehicle

Base Rates

“ x x x

II. For Hire

A. Passenger Cars

1) GVW Up to 1,600 kgs.	P	450.00
2) GVW more than 1,600kgs. – 2,000kgs	P	900.00
3) GVW more than 2,300kgs	P	2,500.00

B. Utility Vehicles

GVW up to 4,500kgs	P	15.00 per 100kgs of GVW
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C. Motorcycles

Without sidecar	P	150.00
With side car	P	240.00

D. Buses

GVW more than 4,500kgs	P	15.00 per 100kgs of GVW
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E. Trucks

GVW more than 4,500kgs	P	900.00 (Note: Additional P12.00 Per 100kgs of GVW Over 2,700kgs)
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F. Trailers

GVW more than 4,500 kgs	P	12.00 per 100 kgs of GVW
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“ 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 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 3. Implementing Rules and Regulations (IRR). The Secretary of the Department of Transportation and Communication shall provide the necessary implementing rules and regulations within ninety (90) days from the effectivity of this Act.

SECTION 4. Repealing Clause. All laws, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modify accordingly.

SECTION 5. Separability Clause. If any part, section or provision of this Act shall be held invalid or unconstitutional, no other part, section or provisions thereof shall be affected thereby.

SECTION 6. Effectivity. This Act shall take effect fifteen (15) days following the completion of its publication in the Official Gazette or two (2) newspapers of general circulation.

Approved,