

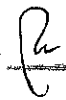
FIFTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

OFFICE OF THE CLERK

10 SEP 27 11 52

SENATE

S. BILL NO. 2536

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

EXPLANATORY NOTE

83.25 Million (90%) of our 92.5 Million population constitute the riding public. On the other hand, the total number of motor vehicles registered with the Land Transportation Office (LTO) in 2009 reached 6.22 Million, of which 931,048 (14.97%) are public utility vehicles.

Apart from the operators of public utility vehicles, millions of commuters are the most affected by road taxes and increases in toll fees as they jack up the costs of transport fares and consequently the prices of basic commodities.

Our nation's transport system relies heavily on the road network which handles approximately 90% of passenger movement and 50% of freight movement, serving priority production areas and population centers.

Since the passage of RA No. 8794, also known as "Motor Vehicle User's Charge (MVUC) Act" in June 2000, the road user's tax has been imposed on owners of all types of vehicles, whether for hire, for private or government use. Based on DBM reports, the total collections from MVUC as of June 2010 amount to P65.562 Billion.

In order to balance the interests of stakeholders, this bill seeks to amend RA No. 8794, by exempting public utility vehicles and electric vehicles from the MVUC and reallocating the disposition of monies collected to the construction, improvement and rehabilitation of our mass transit system.

The approval of this bill will address the need to provide efficient and effective mass transit system in our country and promote the use of electric vehicles which are expected to significantly reduce pollution emissions and dependence on fossil fuels such as petroleum and natural gas. Expansion and improvement of mass transit has been proven to be cost-effective in developed countries since it addresses concerns on traffic and parking congestion, travel time, costs of roadway and parking facility expansion, safety and traffic accidents, road wear, health and environment, long-term vehicle costs to consumers, excessive energy consumption and limited mobility for non-drivers.

With the foregoing considered, the approval of this bill is hereby requested.


RALPH G. RECTO

SENATE

10 SEP 27 P3 52

S. BILL NO. 2536

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

AN ACT

EXEMPTING PUBLIC UTILITY VEHICLES AND ELECTRIC VEHICLES FROM THE MOTOR VEHICLE USER'S CHARGE AND REALLOCATING THE DISPOSITION OF MONIES COLLECTED AMENDING FOR THE PURPOSE SECTIONS 2, 3 AND 7 OF REPUBLIC ACT NO. 8794, OTHERWISE KNOWN AS THE "MOTOR VEHICLE USER'S CHARGE OF 2000" AND FOR OTHER PURPOSES

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

1 **SECTION 1.** *Title.* This act shall be known as the "Mass Transit System Act of 2010".

2
3 **SEC. 2.** Section 2 of Republic Act No. 8794, otherwise known as the "Motor Vehicle
4 User's Charge Act of 2000," is hereby amended to read as follows:

5
6 "SEC. 2. *Coverage.*- In lieu of the registration fee under section 8 Republic Act
7 No. 4136, as amended by Batas Pambansa Bilang 74, and the Private Motor Vehicle Tax
8 under Executive Order No. 43, series of 1986, there is hereby imposed on every motor
9 vehicle[, whether for hire or] for private use, including government motor vehicles, as
10 more fully provided in Section 3 hereof, a Motor Vehicle User's Charge (MVUC) which
11 shall be collected from and paid by the owner of the motor vehicle."

12
13 **SEC. 3.** Section 3 of RA 8794 is hereby amended to read as follows:

14
15 "SEC 3. *Rates of the Motor Vehicle User's Charge.*- (a) For private passenger
16 cars registered as of the date of the effectivity of this Act, the MVUC to be paid shall be
17 the private motor vehicle tax under Executive Order No. 43, series of 1986, plus twenty-
18 five percent (25%) for the first year, fifty percent (50%) for the second year, seventy-five
19 percent (75%) for the third year, and one hundred percent (100%) for the fourth year and
20 thereafter: *Provided, however,* That private passenger cars to be registered for the first
21 time after the effectivity of this Act, shall be subject to the MVUC rates prescribed in
22 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 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 **ALL PUBLIC UTILITY VEHICLES AND ELECTRIC VEHICLES, WHETHER PRIVATE, GOVERNMENT, OR FOR HIRE SHALL BE EXEMPTED FROM THE PAYMENT OF THE MVUC** [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.	P 800
(2) GVW more than 1,600 kgs. – 2300 kgs.	1,800
(3) GVW more than 2,300 kgs.	4,000
B. Utility Vehicles	
GVW up to 2,700 kgs.	P 1,000
GVW more than 2,700 kgs. – 4,500 kgs.	1,000 + P20 per 100 kgs. of kgs. of GVW over 2,700 kgs.
C. Motorcycles	
Without sidecar	P 120
With side car	150
D. Buses	
GVW more than 4,500 kgs.	P 900 + P12 Per 100 kgs. of GVW over 2,700 kgs.
E. Trucks	
GVW more than 4,500 kgs	P 900 + P12 Per 100 kgs. of GVW over 2,700 kgs.

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F. Trailers			
	GVW more than 4,500 kgs.	P	12 per 100 Kgs. of GVW
[II. For Hire			
A. Passenger Cars			
	(1) GVW Up to 1,600 kgs.	P	450
	(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.	P	15 per 100 Kgs. of GVW
C. Motorcycles			
	Without sidecar	P	150
	With side car		240
D. Buses			
	GVW more than 4,500 kgs.	P	15 per 100 Kgs. of GVW
E. Trucks			
	GVW more than 4,500 kgs	P	900+P12 per 100 kgs. of GVW over 2,700 kgs.
F. Trailers			
	GVW more than 4,500 kgs.	P	12 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 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.”

SEC. 4. Section 7 of RA 8794 is hereby amended to read as follows:

“SEC. 7. *Disposition of Monies Collected.* - All monies collected under this Act shall be earmarked solely and used exclusively [(1)] for [road maintenance and the improvement of road drainage, (2) for the installation of adequate and efficient traffic lights and road safety devices, and (3) for air pollution control.] **THE CONSTRUCTION/ IMPROVEMENT/ REHABILITATION OF OUR MASS**

1 **TRANSIT SYSTEM, INCLUDING THE ACQUISITION OF ROAD RIGHT-OF-**
2 **WAY FOR SUCH PROJECTS.**

3
4 All such monies collected shall be deposited in [four (4)] A special trust
5 account[s] in the National Treasury, **TO BE KNOWN AS THE MASS TRANSIT**
6 **SYSTEM** [namely: (1) Special Road] Support Fund. [; (2) Special Local Road Fund; (3)
7 Special Road Safety Fund; and (4) Special Vehicle Pollution Control Fund. The
8 distribution of collections under this Act shall be as follows:

- 9
10 1. Eighty percent (80%) shall be allotted to and placed in the Special Road
11 Support Fund;
12 2. Five percent (5%) shall be allotted to and placed in the Special Local Road
13 Fund;
14 3. Seven and one-half percent (7.5%) shall be allotted to and placed in the Special
15 Road Safety Fund; and
16 4. Seven and one-half percent (7.5%) shall be allotted to and placed in the Special
17 Vehicle Pollution Control Fund.]

18
19 The [Special Road] **MASS TRANSIT SYSTEM** Support Fund [, the Special
20 Local Road Fund and the Special Road Safety Fund] shall be under the [DPWH, whereas
21 the Special Vehicle Pollution Control Fund shall be under the] **DEPARTMENT OF**
22 **TRANSPORTATION AND COMMUNICATIONS (DOTC).**

23
24 [Seventy percent (70%) of the Special Road Support Fund shall be used for the
25 maintenance of, and the improvement of drainage of national primary roads. The
26 remaining thirty percent (30%) thereof shall be allocated and used for the maintenance,
27 and improvement of drainage of national secondary roads throughout the country.]

28
29 [The cost of installation of adequate and efficient traffic lights and road safety
30 devices throughout the country, where such traffic lights and safety devices are needed,
31 shall be taken from the Special Road Safety Fund.]

32
33 A [Road] **MASS TRANSIT SYSTEM** Board to implement the prudent and
34 efficient management and utilization of the special fund[s] shall be organized by the
35 President of the Philippines. The [Road] **MASS TRANSIT SYSTEM** Board shall be
36 composed of seven (7) members, with the secretary of the [DPWH] **DOTC** as *ex officio*
37 head, and the secretaries of the Department of **PUBLIC WORKS AND HIGHWAYS,**
38 **Finance, AND Budget and Management, [and the Transportation and Communication,]**

1 as *ex officio* members. The remaining three (3) members shall come from transport, [and]
2 motorist **AND COMMUTERS** organizations, which have been in existence and active
3 for the last five (5) years prior to this Act. They shall be appointed for the term of two (2)
4 years each by the President of the Philippines upon the recommendation of the secretaries
5 of the **DOTC AND DPWH** [and the DOTC].”

6
7 SEC. 4. Section 8 of RA 8794 is hereby amended to read as follows:

8
9 “SEC. 8. The [four (4)] special fund[s] established under this Act shall be distinct
10 and separate from and in addition to any appropriation authorized and granted yearly to
11 the [DPWH and the] DOTC to cover expenditures for the identified objects of
12 expenditures under this Act. Congress shall continue to appropriate an amount in the
13 General Appropriations Act for [road maintenance of the DPWH] **EXPANSION,**
14 **CONSTRUCTION, IMPROVEMENT AND REHABILITATION OF THE MASS**
15 **TRANSIT SYSTEM OF THE DOTC:** *Provided, however,* That any savings for each
16 year out of such appropriation shall revert to the General Fund. Any savings from the
17 special fund[s] created herein shall accrue to the[se respective] special fund[s].”

18
19 SEC. 5. *Implementing Rules and Regulations.* Section 9 of RA 8794 is hereby further
20 amended to read as follows:

21
22 **SEC. 9. *Implementing Rules and Regulations.***-The secretar[ies]Y of the [DPWH
23 and the] DOTC shall [jointly] within thirty (30) days from the effectivity of this Act,
24 promulgate the rules and regulation to implement and carry out the intent , objectives,
25 purposes and provisions of this Act, including such structural and procedural
26 improvement in the systems and agenc[ies]Y concerned as may be necessary to ensure
27 the prudent, wise, effective and efficient utilization of the special fund[s] established
28 under this Act: [*Provided, That the secretary of the DPWH shall prepare the portion of*
29 *their implementing rules and regulations pertaining to the Special Road Support Fund,*
30 *the Special Local Road Fund, and the Special Road Safety Fund, and the Secretary of the*
31 *DOTC shall prepare the portion of the implementing rules and regulation pertaining to*
32 *the collection of the MVUC stated under Section 3 of this Act and on the disposition of*
33 *the monies accruing to the Special Vehicle Pollution Control Fund.]*

34
35 SEC. 6. *Seperability Clause.* If any provision of this Act is declared unconstitutional or
36 invalid, other parts or provision hereof not affected thereby shall continue to be in full force and
37 effect.

1 SEC. 7. *Repealing Clause.* All other laws, orders, decrees, issuances, circulars, rules and
2 regulations or parts thereof which are inconsistent with any of the provisions of this Act are
3 hereby repealed or modified accordingly;

4 SEC. 8. *Effectivity Clause.* This Act shall take effect fifteen days (15) days following its
5 publication in at least two (2) newspapers of general circulation or the Official Gazette.

Approved.