

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

OFFICE OF THE CLERK

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SENATE

REG. NO. 11

S. No. 3397

Introduced by Senator JUAN MIGUEL F. ZUBIRI

EXPLANATORY NOTE

Almost all of the cars or motor vehicles we drive run on fuels derived from petroleum, which is non-renewable. But with the continuing rise of fuel cost and the imminent decline of extractable world oil deposit, the demand for alternative transportation is expanding.

Since the 1990s, hybrid cars have become a viable alternative to standard petrol or diesel cars. Hybrid vehicles make use of a combination of a small combustion engine along with rechargeable energy storage systems while the battery collects electricity to power an electric motor. Hybrid vehicles does not only provide better fuel economy that result in added savings for consumers but also offer lower greenhouse gasses emissions.

This bill seeks to provide incentives to the manufacture, sale and importation of hybrid vehicles which will encourage public support for the hybrid car industry. This is in line with the governments' Alternative Fuels Program to reduce our dependence on imported oil and to provide cheaper and more environment-friendly alternative to fossil fuels.

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


JUAN MIGUEL F. ZUBIRI

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Introduced by Senator JUAN MIGUEL F. ZUBIRI

AN ACT
PROVIDING INCENTIVES TO THE MANUFACTURE, SALE AND IMPORTATION OF
HYBRID VEHICLES AND FOR OTHER PURPOSES

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

1 **Section 1.** Any provision of existing laws to the country notwithstanding, any
2 person, partnership or corporation who is engaged in the business of manufacturing,
3 selling or importing the fuel-saving hybrid cars including its parts and components shall
4 be exempt from the payment of import duties, customs and tariff duties, excise, value-
5 added and ad valorem taxes in respect to the manufacture or importation of such cars.
6

7 For purposes of this Act, hybrid vehicles shall refer to vehicles that combine the
8 technologies used in a gasoline-powered internal combustion (IC) engine with a battery-
9 powered electric motor to gain the advantages of both propulsion systems.
10

11 **Section 2.** For proper implementation of this Act, an Inter-Agency Council
12 hereinafter referred to as the Council is hereby created which shall be responsible to
13 regulate and control the grant of tax exemptions to the manufacturers,
14 sellers/distributors or importers of hybrid vehicles in accordance with the conditions to
15 be set forth and the regulations to be promulgated by the council.
16

17 The Council shall be composed of the following officials or their representatives;

- 18 a.) Secretary of Finance – Chairman;
19 b.) Secretary of Energy – member;
20 c.) Secretary of Science and Technology – member;
21 d.) Secretary of Trade and Industry – member;
22 e.) Commissioner of Customs – member.

1 **Section 3.** The Grant of Tax Exemptions provided in Section 1 shall be subject to
2 periodic review by the council every five (5) years from the effectivity of this Act and the
3 corresponding report shall be submitted to the Congress.

4
5 **Section 4.** The Inter-Agency Council shall promulgate the necessary rules and
6 regulations for the effective implementation of this Act.

7
8 **Section 5.** All laws, decrees, executive orders, letters of instructions, rules and
9 regulations or parts thereof which are inconsistent with this Act are hereby repealed,
10 amended or modify accordingly.

11
12 **Section 6.** This Act shall take effect fifteen (15) days following its publications in
13 at least two (2) national newspapers of general circulation.

14
15 Approved,