SENATE

S. No. __719

RECEIVED BY:_____

Introduced by Senator Ralph G. Recto

Explanatory Note

Commuters constitute 90% or 83.25 million[1] of our population. On the other hand, the total number of public utility vehicles (PUVs) registered with the Land Transportation Office (LTO) in 2012 is only 969,784 or 13%[2] of the 7.46 million motor vehicles registered. Registered PUVs are greatly outnumbered by the other types of vehicles particularly by cars and motorcycles. Clearly, there is a need to increase the number of PUVs in order to cater to the increasing number of commuters.

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.

High operating costs incurred by public transport owners which are due primarily to oil price hikes, road taxes, and increase in toll fees create a variety of problems to the riding public such as insufficient number of PUVs, inadequate mobility for commuters and higher transport fares to name a few.

These problems call for the revitalization of public transport, hence, this bill. This measure seeks to amend the Motor Vehicle User's Charge (MVUC) Act in order to provide relief to transport groups reeling from escalating oil prices and toll fees by exempting them from the MVUC.

Exempting public transport from paying road taxes will provide relief to PUV operators by lowering their operating costs, and to the millions of our riding public who bear the brunt of transport cost hikes. These in turn will lead to the expected shift of motorists to public transportation, and easing of traffic congestion and reducing traffic injuries and fatalities.

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

RALPH G. RECTO

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[1] National Statistics Office, "2010 Census of Population and Housing Highlights, 4 April 2012", http://www.census.gov.ph/content/2010-census-population-and-housing-reveals-philippine-population-9234-million (accessed 11 March 2013)
[2] Land Transportation Office. Annual Report 2012. 25 January 2013.

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
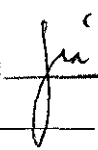*First Regular Session*)

SENATE

S. No. 719

Introduced by Senator Ralph G. Recto

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:*

1 **SECTION 1.** Section 2 of Republic Act (R.A.) No. 8794, otherwise known as the

2 "Motor Vehicle User's Charge Act of 2000," is hereby amended to read as follows:

3 "SEC. 2. *Coverage.*- In lieu of the registration fee under Section 8 of Republic

4 Act No. 4136, as amended by Batas Pambansa Bilang 74, and the Private Motor Vehicle

5 Tax under Executive Order No. 43, series of 1986, there is hereby imposed on every

6 motor vehicle[, whether for hire or] for private use, including government motor vehicles,

7 as more fully provided in Section 3 hereof, a Motor Vehicle User's Charge (MVUC)

8 which shall be collected from and paid by the owner of the motor vehicle."

9 **SEC. 2.** Section 3 of R.A. No. 8794 is hereby further amended to read as follows:

10 "SEC 3. *Rates of the Motor Vehicle User's Charge.*-

11 "(a) x x x

12 "(b) Except as provided under 3(a) hereof, for each motor vehicle under each of

13 the categories as herein provided, the MVUC shall be collected from and paid by the

14 vehicle owner, at the following base rates plus twenty-five percent (25%) in the first year

15 from the effectivity of this Act; the said base rates plus fifty percent (50%) in the second

16 year from the effectivity of this Act; the said base rates plus seventy-five percent (75%)

17 in the third year from the effectivity of this Act; and said base rates plus one hundred

18 percent (100%) in the fourth year from the effectivity of this Act and thereafter:

19 *Provided,* That the MVUC for the sports utility vehicles shall be fifteen percent (15%)

20 higher than the MVUC herein set for private utility vehicles [: Provided, further, That

21 motorcycles for hire with sidecars shall not pay more than three-hundred pesos (300.00).]

22 Type of Vehicle   Base Rates

23 " x x x.

24 [II. For Hire

25 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. 3. *Implementing Rules and Regulations.* The Secretary of the Department of Transportation and Communication shall provide the necessary implementing rules and regulations within sixty (30) days from the effectivity of this Act.

SEC. 4. *Repealing Clause.* All other laws, orders, decrees, issuances, circulars, rules and regulations or parts thereof which are inconsistent with any of the provisions of this Act are hereby repealed or modified accordingly.

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

Approved,