SIXTEENTH CONGRESS OF THE REPUBLIC }
OF THE PHILIPPINES }
First Regular Session }

Senate
Office of the Secretary

'13 AUG 29 A9 :54

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SENATE

S. No. __1401__

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA
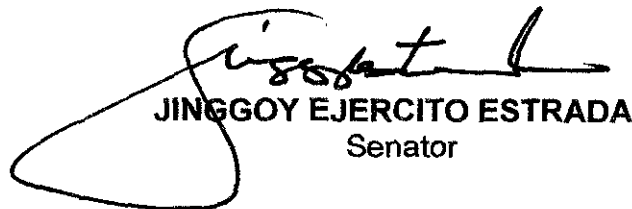

EXPLANATORY NOTE

Republic Act No. 8794, otherwise known as the Motor Vehicle User's Charge was enacted primarily to provide additional revenue to the national government for the maintenance of national and provincial roads. The road user's tax is the third largest source of tax revenue, after the Bureau of Internal Revenue and the Bureau of Customs. From 2001 to 2009, road user's tax collections amounted to some P60.5 Billion.

R.A. 8794 provides that the funds collected 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. It shall be deposited in four (4) special trust accounts in the National Treasury, namely: (1) Special Road Support Fund; (2) Special Local Road Fund; (3) Special Road Safety Fund; and (4) Special Vehicle Pollution Control Fund.

Said law covers all types of motor vehicles such as passenger cars, utility vehicles, motorcycles, buses, trucks and trailers.

This bill seeks to amend the said law by exempting motorcycles with sidecar ("tricycle") from the coverage of the road user's tax to lessen the financial burden of tricycle drivers and help uplift their living condition. Tricycle drivers earn an average of P150 to P200 daily which is not adequate to sustain the family's basic needs and such fees are additional burden to them. Further, they have reduced incomes because of the regular increases in oil prices. It is also important to note that most tricycle drivers ply only on secondary roads or side streets thus they are not considered as direct beneficiaries of the road user's tax.

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

JINGGOY EJERCITO ESTRADA
Senator

SENATE

S. No. 1401

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

AN ACT
**AMENDING SECTIONS 2 AND 3 (B) OF REPUBLIC ACT NO. 8794,
OTHERWISE KNOWN AS "AN ACT IMPOSING A MOTOR VEHICLE USER'S
CHARGE ON OWNERS OF ALL TYPES OF MOTOR VEHICLES AND FOR
OTHER PURPOSES"**

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

SECTION 1. Section 2 of Republic Act No. 8794, otherwise known as *"An
Act imposing a motor vehicle user's charge on owners of all types of motor
vehicles and for other purposes"* is hereby amended to read as follows:

"**Section 2.** *Coverage.-* In lieu of the registration fee under section
8 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, **EXCEPT MOTORCYCLES FOR
HIRE WITH SIDECAR USED AS A MEANS OF LIVELIHOOD.**"

SEC. 2. Section 3 (b) of R.A. No. 8794 is hereby amended to read as
follows:

"Sec. 3. Rates of the Motor Vehicle User's Charge. – (a) x x x

"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 (300.00).]**

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.	P1,000 + P20
per 100 kgs. of	
GVW over	
2,700 kgs.	
C.Motorcycles	
without sidecar	P120
[with sidecar	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	P12 per 100 kgs. of
GVW	
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 sidecar	**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

SEC. 2. *Separability Clause.* - If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SEC. 3. *Repealing Clause.* - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provision of this act is hereby repealed, modified or amended accordingly.

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

Approved,