

16 AUG -1 A11 :26

SENATE

S. No. 925

R. No. \_\_\_\_\_ BY: 

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Introduced by Senator Ralph G. Recto

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**AN ACT**  
**EXEMPTING GREEN VEHICLES FROM THE MOTOR VEHICLES USER'S**  
**CHARGE AMENDING FOR THE PURPOSE SECTION 2 OF REPUBLIC ACT**  
**NO. 8794, OTHERWISE KNOWN AS THE "MOTOR VEHICLE USER'S**  
**CHARGE ACT OF 2000"**

**Explanatory Note**

Even with an increasing number of Filipino drivers becoming more environmentally conscious and with green vehicles (i.e. electric and hybrid cars) gaining in popularity over the past few years, the latter still make up a very small share of overall car sales. The top deterrent is the pricing, as green vehicles are imposed a number of taxes, including import duty, value-added tax, as well as excise tax – which already comprise about a third of the selling price. On top of these taxes is the Motor Vehicle User's Charge (MVUC) which range from P1,400 to P12,000 depending on the weight and age of the vehicle.

More than 500,000 diesel-fueled 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 the health impacts of air pollution from road transport is estimated at US\$325 million per year<sup>1</sup> or about 88% of the total MVUC collection as of June 2016.<sup>2</sup>

In the Global Climate Risk of 2016, the Philippines ranked fifth with respect to Countries most affected by extreme weather events for the period 1995-2014.<sup>3</sup>

Alarming death rates, pollution and climate change effects call for the promotion of green vehicles to achieve a healthy environment.

The Philippines submitted its Intended Nationally Determined Contribution to the United Nations in October 2015 which states that the Philippines intends to undertake GHG (CO<sub>2</sub>e) emissions reduction of about 70% by 2030 which will come from energy, transport, waste, forestry and industry sectors.<sup>4</sup>

Thus, this bill seeks to amend Republic Act No. 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.

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<sup>1</sup> Pollution-free advocacy: Adopt an E-jeepney program. <http://jamesdeakin.ph/pollution-free-advocacy-adopt-an-ejeepney-program/>

<sup>2</sup> Road Board. Status of Collections and Releases: MVUC as of June 6, 2016.

<sup>3</sup> Sönke Kreft, David Eckstein, Lukas Dorsch & Livia Fischer. Global Climate Risk Index 2016. <http://germanwatch.org/fr/download/13503.pdf>

<sup>4</sup> Republic of the Philippines. Intended Nationally Determined Contribution. <http://www4.unfccc.int/Submissions/INDC/Published%20Documents/Philippines/1/Philippines%20-%20Final%20INDC%20submission.pdf>.

Promoting green vehicles will help the Philippines in its effort to reduce carbon dioxide emissions, increase fuel savings, and improve health conditions.

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



**RALPH G. RECTO**

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

1           **SECTION 1.** Section 2 of Republic Act (R.A.) No. 8794, otherwise known as  
2 the "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  
4 Republic Act No. 4136, as amended by Batas Pambansa Bilang 74, and the  
5 Private Motor Vehicle Tax under Executive Order No. 43, series of 1986, there is  
6 hereby imposed on every motor vehicle, whether for hire or for private use,  
7 including government motor vehicles, as more fully provided in Section 3 hereof,  
8 a Motor Vehicle User's Charge (MVUC) which shall be collected from and paid  
9 by the owner of the motor vehicle[.']: *PROVIDED, THAT ALL GREEN*  
10 *VEHICLES SHALL BE EXEMPT FROM THE PAYMENT OF MVUC:*  
11 *PROVIDED, FURTHER, THAT FOR PURPOSES OF THIS ACT, GREEN*  
12 *VEHICLES SHALL MEAN ANY VEHICLE THAT IS CONSIDERED TO BE*  
13 *ENVIRONMENTALLY FRIENDLY AND HAS LESS OF A DAMAGING*  
14 *IMPACT ON THE ENVIRONMENT THAN CONVENTIONAL CARS; USES*  
15 *CLEAN ENERGY SOURCES TO FUEL ITS ENGINE, SUCH AS BUT NOT*  
16 *LIMITED TO: ELECTRICITY, HYBRID, SOLAR, WIND, HYDROGEN FUEL*  
17 *CELL, COMPRESSED NATURAL GAS (CNG) OR LIQUEFIED NATURAL*  
18 *GAS (LNG), METHANE AND LIQUEFIED PETROLEUM GAS (LPG),*  
19 *OTHER THAN THE CONVENTIONAL SOURCES OF ENERGY LIKE*  
20 *PETROLEUM AND GASOLINE FOR PROPULSION.*

21           **SEC. 2. *Implementing Rules and Regulations.*** The Secretary of the Department  
22 of Transportation and the Assistant Secretary for Land Transportation Office shall  
23 provide the necessary implementing rules and regulations within ninety (90) days from  
24 the effectivity of this Act.

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

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

          Approved,