on June 27, 2000, Republic Act No. 8794 (RA 8794) was enacted putting in place the motor vehicle user's charge (MVIJC) in lieu of the registration fee and the Private Motor Vehicle Tax. Along with having a single law that provides for the annual motor vehicle registration fees. RA 8794 increased the rates by 100% from the previous levels but the increase in the rates was done in four tranches from 2001 to 2004.

It is noted that while Section 3 of RA 8794 grants the President the authority to adjust annually the MVLJC rates after the 4th year of its effectivity, the existing rates, however, have not been adjusted since 2004 despite the difference the inflation rate from when the Act was enacted to until the present,

This measure proposes that MVUC rates be adjusted upward on the basis of the officially published inflation rate computed cumulatively from 2005 to 2017 and after the first year of implementation, the rates shall be automatically increased by 4% annually. Following this, the 2017 rates as compared to the 2000 and 2004 rates are as follows:

<table>
<thead>
<tr>
<th>Type of Vehicle</th>
<th>2000 Rates</th>
<th>2004 Rates</th>
<th>2017 Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Private and Government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Passenger Cars</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 GVW U to 1,600 k s.</td>
<td>P800</td>
<td>p1600</td>
<td>P2912</td>
</tr>
<tr>
<td>(2) GVW more than 1,600 k s. -2,300 k s.</td>
<td>1.800</td>
<td>3600</td>
<td>6,552</td>
</tr>
<tr>
<td>(3) GVW more than 2,300</td>
<td>4,000</td>
<td>8000</td>
<td>14,560</td>
</tr>
<tr>
<td>B.f. Util Vehicles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GVWu to 2700k s.</td>
<td>P 1000</td>
<td>P2000</td>
<td>P3.640</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------</td>
<td>-------</td>
<td>--------</td>
</tr>
<tr>
<td>GVW more than 2,700 Kgs. — 4,500 kgs.</td>
<td>1,000 P20 per 100 kgs. GVW over 2700 s.</td>
<td>2000 t P40 per 100 kgs. of GVW over</td>
<td>3,640 P73 per 100 kgs. of GVW over</td>
</tr>
</tbody>
</table>

B.2. SPORTS UTILITY VEHICLES

<table>
<thead>
<tr>
<th>GVWu</th>
<th>2.700 k s.</th>
<th>150</th>
<th>P2300</th>
<th>P4.186</th>
</tr>
</thead>
<tbody>
<tr>
<td>GVW more than 2,700 kgs. — 4,500 kgs.</td>
<td>1.150 P23 per 100 kgs. of GVW over 2,700 kgs.</td>
<td>2300 P46 per 100 kgs. of GVW over 2,700 k</td>
<td>4.186 P84 per 100 kgs. of GVW over 2,700 kgs.</td>
<td></td>
</tr>
</tbody>
</table>

C. Mo Cles

| Without sidecar | P120 | P240 | P437 |
| With side car   | 150  |      | 546  |

D. Buses

| GVW more than 4,500 kgs. | P900 P12 per 100 kgs. of GVW over 2,700 | P1800 P24 per 100 kgs. of GVW over 2,700 k s. | P3.276 per 100 kgs. of GVW over 2,700 k s. |

E. Trucks

| GVW more than 4,500 kgs. | P900 P12 per 100 kgs. of GVW over 2,700 | P1800 P24 per 100 kgs. of GVW over 2,700 k | P3.276 P44 per 100 kgs. of GVW over 2,700 k s. |

F. Trailers

| GVW more than 4,500 kgs. | P12 per 100 Kgs. of GVW | P24 per 100 Kgs. of GVW | P44 per 100 Kgs. of GVW |

II. For Hire

A. Passenger Cars

| 1 GVWU to 1.600k s. | P450 | pg00 | PL 4638 |
| 2 GVW more than 1.600 k s. — 2.300k s. | 1800 | 3.276 |
| 3 GVW more than 2.300 | 2,500 | 9.100 |

B. Utility Vehicles
<table>
<thead>
<tr>
<th>GVV up to 4,500 kgs.</th>
<th>P15 per 100 kgs. Of GVV</th>
<th>P30 per 100 k s. Of GVV</th>
<th>P55 per 100 k s. Of GVV</th>
</tr>
</thead>
<tbody>
<tr>
<td>C. Mo Cles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Without sidecar</td>
<td>p 150</td>
<td>P300</td>
<td>P546</td>
</tr>
<tr>
<td>With side car</td>
<td>240</td>
<td>300</td>
<td>546</td>
</tr>
<tr>
<td>D. Buses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GVV more than 4,500 kgs.</td>
<td>P15 per 100 kgs. of GVV</td>
<td>P30 per 100 k s. of GVV</td>
<td>P55 per 100 k s. of GVV</td>
</tr>
<tr>
<td>E. Trucks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GVV more than 4,500 kgs.</td>
<td>P900 4 P12 per 100 k s.Qt GVV</td>
<td>P1800 P24 s.of</td>
<td>P3.276 P44 100k s.of</td>
</tr>
<tr>
<td></td>
<td>over 2,700 kgs.</td>
<td>GVW over 2 700</td>
<td>GVW over 2700 s.</td>
</tr>
<tr>
<td>F. Trailers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GVV more than 4,500 kgs.</td>
<td>P12 per 100 kgs. of GVV</td>
<td>P24 per 100 Kgs. of GVV</td>
<td>P44 per 100 kgs. of GVV</td>
</tr>
</tbody>
</table>

The MVUC rates need to be adjusted in order to keep them updated and to ensure buoyancy of the revenue system to sustain sufficient funding for the provision of better infrastructure and social protection for the people.

Further, it is proposed that various road funds will be merged with the general fund, and roads board shall be abolished for efficiency and better linkages. This further allows for better accountability of the various road funds for a more effective program implementation and fund management.

As this bill aims to better manage the MVUC through merging with the general appropriations fund, this will enable a more transparent and proper management of the appropriation. This will also discourage misuse of the funds and apportion it exactly.

The revenues from the proposed increase of MVJC rates will be one of the sources of funding that will finance road infrastructure projects of the government. Roads are especially important for transport and accessibility for the citizenry. As a priority of this administration and a matter of national importance, infrastructure programs help undeveloped areas in the country to be provided proper and appropriate facilities. The revenues will therefore aid in the vision of a more developed infrastructure program for the country.

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

Luis Raymund F. Villafuerte, Jr.
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1234

Introduced by HONORABLE LUIS RAYMUND F. VILLAFUERTE, JR.

AN ACT
AMENDING REPUBLIC ACT 8794 ENTITLED "AN IMPOSING A MOTOR VEHICLE USERS CHARGE ON OWNERS OF ALL TYPES OF MOTOR VEHICLES AND FOR OTHER PURPOSES".

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

SECTION 1. This Act shall be known as the -2017 MVUC Law'

SEC 2. Declaration of Policy — it is hereby declared as the policy of the State to ensure buoyancy of the revenue system to sustain sufficient funding for the provision of better infrastructure and social protection for the people.

SEC 3. Section 2 Of Republic Act No-879.4 hereby amended 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] THE MOTOR VEHICLE USER CHARGE SHALL CONTINUE TO BE imposed on every motor vehicle, whether for hire or for private use, including government motor vehicles as more fully provided in Section 3 hereof, which shall be collected from and paid by the owner of the motor vehicle.

(a) For private passenger cars registered as of the date of the effectivity of this Act, the MVLJC to be paid shall be the private motor vehicle tax under Executive Order NO, 43. series of 1986, plus twenty-five percent (25%) for the first year, fifty percent (50%) for the second year, seventy-five percent (75%) for the third year, and one hundred percent (100%) for the year and thereafter. Provided. however, that private passenger cars to be registered
for the first time after the effectivity of this Act, shall be subject to the MVUC rates prescribed in 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 MVI_JC 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 their after: 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 motorcycles for hire with sidecars shall not pay more than three-hundred pesos (300.00).1

Section 3. Rates of Motor Vehicle User Charge.

[(a) For private passenger cars registered as of the date of the effectivity of this Act, the MVUC to be paid shall be the private motor vehicle tax under Executive Order NO. 43. series of 1986. Plus twenty-five percent (25%) for the first year, fifty percent (50%) for the second year, seventy-five percent (75%) for the third year, and one hundred percent (100%) for the year and thereafter. Provided, however, that private passenger cars to be registered for the first time after the effectivity of this Act. shall be subject to the MVUC rates prescribed in section 3(b) hereon

(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 their after: Provided. That the MVUC for the sports utility vehicles shall be fifteen percent (15%) higher than the MVIJC herein set for private utility vehicles: Provided, further, that motorcycles (or hire with sidecars shall not pay more than three-hundred pesos (300.00).]

THE MOTOR VEHICLE USER CHARGE PROVIDED UNDER REPUBLIC ACT 8794 IS HEREBY INCREASED AS FOLLOWS:
Type of Vehicle 4,000 4.186 per PB4per
I. Private and 1,000 + P20 per 100
Government 700 kgs.
(1) GVW up to 1,600
kgs. (2) GVW more
than 1,600 kgs. -2.300 kgs.
(3) GVW more than
2,300 kgs.

P1 pl,150 1,150 + P23
per too kgs of GVW
over 2,700 Kgs.

p 120

These rates have been interested in 2001, 2002, 2003 and 2004 through i)P'W
Department Order

No. 2000

B. Utility Vehicles
GVW up to 2,700 kgs.
GVW more than
2,700 kgs. - 4,500 kgs.

8.2. SPORTS UTILITY
VEHICLES
GVW up to 2,700
kgs GVW more than
2,700 kge - 4,500 kgs.

C. Motorcycles
Without sidecar
With side car

D. Buses GVW
more than 4,500 kgs.

E. Trucks GVW
more than 4,500 kgs

F. Trailers GVW
more than 4,500 kgs.

II. For Hire
A. Passenger Cars
[Base Rates as ot 2000'

P800
1,800

P2912
6.552
14,560

P3.640
3.640 + P73 per
100 kgs. of GVW
over 2.700 kgs.

pa, 186

GVW over 2.700
kgs.
P44 per 100 Kgs.
of GVW

(1) GVW up to
1,600 kgs.
(2) GVW more
than 1,600 kgs. -2.300
kgs.
(3) GVW more
than 2.300 kgs.

B. utility Vehicles
GVW up to 4.500
Kgs.

C. Motorcycles
Without sidecar
With side car

D. Buses
GVW more
than 4,500
kgs. E. Trucks
GVW more than
4,500 kgs

F. Trailers GVW
more than 4,500
kgs.
900 2,500

P15 per 100 Kgs. Of
GVW

p t 50 240

P15 per 100 Kgs. of
GVW

P900 * P12 per 100
kgs. of GVW over
2,700 kgs.

P12 per 100 Kgs. Of
GVW I
p 63B
3,276
9.100

P55 per 100 Kgs. Of
GVW

p 546
546

P55 per 100 Kgs. of
GVW

P3,276 + P44 per 100
kgs. of GVW over 2, 700
kgs.

P44 per 100 Kgs.
01 GVW
After the first year from the effectivity of this Act. THE RATES [the President of the Philippines may adjust the rates-I contained in Section 3 hereof [which] shall be AUTOMATICALLY INCREASED BY 4% ANNUALLY. the President may adjust such rates not more than once every five (5) years.]

SEC 4. Government Motor Vehicles — The manner of payments of the user's charge on government motor vehicle shall be in accordance with the procedure that shall be promulgated by the Secretary of the Department Management (DEM).

SEC 5. Reclassification and New Models of Motor Vehicle — The Land Transportation Office (LTO) shall submit any recommendation for any change in motor vehicles above-listed for approval by the Secretary of the Department of Transportation and Communications (DOTC), manufacturers and/or assemblers of motor vehicle shall, not later than three (3) months prior to the introduction Of any new model of motor vehicle in the market, submit the specification of the new model and the rate or the MVUC under which the new model shall fall. The LTO shall also release the proper classification of said new motor vehicle model on or before the scheduled release of such new model to the market, but in no case later than three (3) months after its receipt the new motor vehicle's specifications.

SEC 6. Penalty for Overloading — An amount equivalent to twenty-five percent (25%) of the MVUC shall be imposed on trucks and trailers for loading beyond their prescribed gross vehicle weight; provided. That no axle load shall exceed thirteen thousand five hundred kilograms (13,500kgs).

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

Section 7. Disposition of Monies Collected. All monies collected under this Act shall ACCRUE TO THE GENERAL FUND TO FINANCE ROAD INFRASTRUCTURE PROJECTS OF THE GOVERNMENT WHICH SHALL BE ALLOCATED IN THE ANNUAL GENERAL APPROPRIATIONS ACT, be earmarked solely and used exclusively (1) for road maintenance and the improved the road drainage, (2) for the installation of adequate and efficient traffic lights and road safety devices, and (3) for the air pollution control.

All such monies collected 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. The distribution of collections under this Act shall be as follows:

1. Eighty percent (80%) shall be allotted to and placed in the Special Road Support Fund;
2. Five percent (5%) Shall be allotted to and placed in the Special Local Road Fund;
3. Seven and one half percent (7.5%) shall be allotted to and placed in the Special Vehicle Pollution Control Fund.

The Special Road Support Fund, the Special Local Road Fund Shall be under the DPWH, whereas the Special Vehicle Pollution Control Fund shall be under the DOTC.
Seventy percent (70%) of the Special Road Support Fund shall be used for the maintenance of, and the improvement of drainage of national primary roads. The remaining thirty percent (30%) thereof shall be allocated and use for the maintenance, and improved of drainage of national secondary roads throughout the country.

The cost of installation of adequate and efficient traffic lights and road safety devices throughout the country, where such traffic lights and safety devices are needed, shall be taken from the Special Road safety devices.

The Special Local Road Fund shall be apportioned to provincial and city governments in accordance with the vehicle population and size of the road network under their respective jurisdictions, and shall be used exclusively for maintenance of local roads, traffic management and road safety devices.

A Road Board to implement the prudent and efficient management and utilization of the special funds shall be organized by the President of the Philippines. The Road Board shall be composed of seven (7) members, with the secretary of the DPWH as ex-officio head, and the secretaries of the Department of Finance, Budget and management, and the Transportation and Communication as ex officio members. The remaining three (3) members shall come from transport and motorist organization, which have been in existence and active for the last five (5) years prior to this Act. They shall be appointed for the term of two (2) years each by the President of the Philippines upon the recommendation of the secretaries of the DPWH and the DOTC.

SEC 8. Section 80fRA 8794 is hereby repealed.

[Section 8. Status of the Special Funds. — The four (4) special funds established under this Act shall be distinct and separate from and in addition in any appropriation authorized and granted yearly to the DPWH and the DOTC. To cover expenditures for the identified objects of expenditures under this Act, Congress shall continue to appropriate an amount in the General Appropriations Act for road maintenance of the DPWH; Provided, however, that any savings for each year out of such appropriation shall revert to the General Fund. Any savings from the special funds created herein shall accrue to these respective special funds.]

SEC 9. Section 9 Of Republic Act NO 8794 Shall be amended as follows:

Section 9, Implementing Rules and Regulation, - The [Secretaries of the] DPWH, Land the DOTC DBM, DOF AND THE BTR shall jointly by thirty (30) days from the effectivity of this Act: promulgate the rules and regulation to implement the [and carry out the intent, objectives, purposes and] provisions of this Act: including such structural and procedural improvement in the systems and agencies concerned as may be necessary to ensure the prudent, wise, effective and efficient utilization of the special funds established under this Act: Provided, That the secretary of the DPWH shall prepare the portion of their implementing rules and regulation pertaining to the Special Road Support Fund, the Special Local Road Fund, and the Special Road Safety Fund, and the Secretary of the DOTC shall prepare the portion of the implementing rules and regulation pertaining to the collection of the MVIC Staffed under Section 3 of this Act and on the disposition of the monies acquiring to the Special Pollution Control Fund.]
SEC 10. Section 11 of Republic Act No 8794 shall be amended as follows:

Section II. Repealing Clause — [Except as provided under Section 3 hereof, all other provision of Executive Order No. 43, series of 1986, and section B of Republic Act No. 4136, as amended by Batas Pambansa Bilang 74, and) All other laws, orders issuance, circulars, rules and regulation or parts thereof/ which are inconsistent with the provision of this Act are hereby repealed or modified Accordingly.

SEC 11. Separability Clause — If any provision of this Act is declared unconstitutional or invalid. other parts or provision hereof not affected thereby shall continue to be in full force and effect.

SEC 12. Effectivity — This Act shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved.