Congress of the Philippines
Eighteenth Congress
First Regular Session

HOUSE OF REPRESENTATIVES

H. No. 6136

By Representatives Salceda, Villafuerte, Vargas, Arante, Suansing (E.), Gabin (S.), Tan (A.S.), Singson-Meehan, Quimbo, Dimaporo (M.K.), Barzagia, Kho (W.), Dy (F.M.C.), Daza, Ong (J.), Sacdalan, Jimenez, Ouano-Dizon, Yap (E.), Go (M.), Tambunting, Ebcas, Garcia (J.E.), Reyes, Ong (R.), Ungab, Cua, Tejada, Violago, Gasataya, Jalosjos, Macapagal Arroyo, Calderon, Dalipe, Go (E.C.), Zamora (W.K.), Bravo, Labadlabad, Benitez, Dialog, Guico, Agabas, Dimaporo (A.), Balindong, Bordo, Amatong, Almario, Defensor (L.), Delos Santos, Gaite, Vergara, Chipeco, Nieto, Sy-Alvarado, Savellano, Alonte, Robles and Tan (A.), per Committee Report No. 212

AN ACT AMENDING REPUBLIC ACT NO. 8794, ENTITLED “AN ACT IMPOSING A MOTOR VEHICLE USER’S CHARGE ON OWNERS OF ALL TYPES OF MOTOR VEHICLES AND FOR OTHER PURPOSES”, AS AMENDED BY REPUBLIC ACT NO. 11239

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 "Motor Vehicle Road User’s Tax Act".

SEC. 2. Section 2 of Republic Act No. 8794, as amended by Republic Act No. 11239, is hereby amended to read as follows:

"SEC. 2. Coverage. — [In lieu of the registration fee under Section 8 of 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 ROAD USER’S TAX SHALL 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, [a Motor Vehicle User’s Charge (MVUC)] which shall be collected from and paid by the owner of the motor vehicle."

SEC. 3. Section 3 of Republic Act No. 8794, as amended by Republic Act No. 11239, is hereby amended to read as follows:

"SEC. 3. [Rates of the Motor Vehicle User’s Charge. — ] RATES OF MOTOR VEHICLE ROAD USER’S TAX. — [(a) For private passenger cars registered as of the date of 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 fourth 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 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 (P300).

<table>
<thead>
<tr>
<th>Type of Vehicle</th>
<th>Base Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Private and Government</td>
<td></td>
</tr>
<tr>
<td>A. Passenger Cars</td>
<td></td>
</tr>
<tr>
<td>(1) GVW up to 1,600 kgs.</td>
<td>P800</td>
</tr>
<tr>
<td>(2) GVW more than 1,600 kgs. – 2,300 kgs.</td>
<td>1,800</td>
</tr>
<tr>
<td>(3) GVW more than 2,300 kgs.</td>
<td>4,000</td>
</tr>
<tr>
<td>B. Utility Vehicles</td>
<td></td>
</tr>
<tr>
<td>GVW up to 2,700 kgs.</td>
<td>P1,000</td>
</tr>
<tr>
<td>GVW more than 2,700 kgs. – 4,500 kgs.</td>
<td>P1,000 + P20 per 100 kgs. of GVW over 2,700 kgs.</td>
</tr>
<tr>
<td>C. Motorcycles</td>
<td></td>
</tr>
<tr>
<td>without sidecar</td>
<td>P120</td>
</tr>
<tr>
<td>with sidecar</td>
<td>150</td>
</tr>
<tr>
<td>D. Buses</td>
<td></td>
</tr>
<tr>
<td>GVW more than 4,500 kgs.</td>
<td>P900 + P12 per 100 kgs. of GVW over 2,700 kgs.</td>
</tr>
<tr>
<td>E. Trucks</td>
<td></td>
</tr>
<tr>
<td>GVW more than 4,500 kgs.</td>
<td>P900 + P12 per 100 kgs. of GVW over 2,700 kgs.</td>
</tr>
<tr>
<td>F. Trailers</td>
<td></td>
</tr>
<tr>
<td>GVW more than 4,500 kgs.</td>
<td>P12 per 100 kgs. of GVW</td>
</tr>
</tbody>
</table>

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 with sidecar | P150 |
| 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 |

"[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 reflective of but shall not exceed the annual rate of increase of the]"
Consumer Price Index (CPI). The President may adjust such rates not more than once every five (5) years.]  

"THERE SHALL BE LEVIED, ASSESSED, AND COLLECTED ON REGISTERED PRIVATE AND GOVERNMENT VEHICLES, A MOTOR VEHICLE ROAD USER'S TAX WHICH SHALL BE COLLECTED FROM AND PAID BY THE OWNER OF THE MOTOR VEHICLE IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

<table>
<thead>
<tr>
<th>Type of Vehicle</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023 Onwards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Passenger Cars:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Vehicle Weight (GVW) up to 1,600 Kilograms (kg)</td>
<td>2,080</td>
<td>2,560</td>
<td>3,040</td>
<td>5% increase</td>
</tr>
<tr>
<td>GVW more than 1,600 kg up to 2,300 kg</td>
<td>4,680</td>
<td>5,760</td>
<td>6,840</td>
<td></td>
</tr>
<tr>
<td>GVW more than 2,300 kg</td>
<td>10,400</td>
<td>12,800</td>
<td>15,200</td>
<td></td>
</tr>
<tr>
<td><strong>B1. Utility Vehicles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GVW up to 4,500 kg</td>
<td>1.40 per kg of GVW</td>
<td>2.50 per kg of GVW</td>
<td>3.40 per kg of GVW</td>
<td>5% increase</td>
</tr>
<tr>
<td><strong>B2. Sports Utility Vehicles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GVW up to 4,500 kg</td>
<td>1.40 per kg of GVW</td>
<td>2.50 per kg of GVW</td>
<td>3.40 per kg of GVW</td>
<td>5% increase</td>
</tr>
<tr>
<td><strong>C. Motorcycles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Without Sidecar</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>With Sidecar</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**D. Buses**

<table>
<thead>
<tr>
<th>Type of Vehicle</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023 Onwards</th>
</tr>
</thead>
<tbody>
<tr>
<td>GVW above 4,500 kg</td>
<td>1.40 per kg of GVW</td>
<td>2.50 per kg of GVW</td>
<td>3.40 per kg of GVW</td>
<td>5% increase</td>
</tr>
</tbody>
</table>

**E. Trucks**

<table>
<thead>
<tr>
<th>Type of Vehicle</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023 Onwards</th>
</tr>
</thead>
<tbody>
<tr>
<td>GVW above 4,500 kg</td>
<td>1.40 per kg of GVW</td>
<td>2.50 per kg of GVW</td>
<td>3.40 per kg of GVW</td>
<td>5% increase</td>
</tr>
</tbody>
</table>

**F. Trailers**

<table>
<thead>
<tr>
<th>Type of Vehicle</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023 Onwards</th>
</tr>
</thead>
<tbody>
<tr>
<td>GVW above 4,500 kg</td>
<td>1.40 per kg of GVW</td>
<td>2.50 per kg of GVW</td>
<td>3.40 per kg of GVW</td>
<td>5% increase</td>
</tr>
</tbody>
</table>

"Provided, that for hire vehicles shall be subject to fifty percent (50%) of the above tax rates: Provided, however, that in the event the above tax rate will result in downward adjustment of tax rates, the applicable motor vehicle road user's tax of the preceding year shall be applied.

"Provided, further, that the rates of motor vehicle road user's tax shall be increased by five percent (5%) annually effective January 1, 2023 through revenue regulations to be issued by the Secretary of Finance.

"As used in this section —

"(A) Motor vehicle shall mean any vehicle propelled by any power other than muscular power using public highways but excepting
AIRCRAFTS, MOTOR BOATS, ROAD ROLLERS, TROLLEY
CARS, STREET SWEEPERS, SPRINKLERS, LAWN MOWERS,
BULLDOZERS, GRADERS, FORKLIFTS, AMPHIBIAN
TRUCKS, AND CRANES NOT USED IN PUBLIC HIGHWAYS,
VEHICLES WHICH RUN ONLY ON RAILS OR TRACKS,
TRACTORS AND TRAILERS, AND TRACTION ENGINES OF
ALL KINDS USED EXCLUSIVELY FOR AGRICULTURAL
PURPOSES.

"Trailers having any number of wheels,
when propelled or intended to be propelled by
attachment to a motor vehicle shall be
classified as separate motor vehicle with no
power rating.

"(b) Gross Vehicle Weight shall mean the
measured weight of a motor vehicle as specified
by the manufacturer plus the maximum
allowable carrying capacity in merchandise,
freight, or passenger as determined by
the Assistant Secretary of the Land
Transportation Office (LTO).

Sec. 4. Section 4 of Republic Act No. 8794, as amended by
Republic Act No. 11239, is hereby amended to read as follows:

"Sec. 4. Government Motor Vehicles. --"
Sec. 4. Payment of Motor Vehicle Road
User's Tax. -- The manner of payment of the [user's
charge] Motor Vehicle Road User's Tax on
government motor vehicles shall be in accordance with
the procedure that shall be promulgated by the

Secretary of the Department of Budget and
Management (DBM)[.]

"(a) Manner of Payment. -- The motor
vehicle road user's tax shall be paid to the LTO
annually upon registration, conformably with
the regulations issued jointly by the
Department of Finance (DOF) and Department
of Transportation (DOTy).

"(b) Manner of Collection of Revenues. --
The motor vehicle road user's tax shall be
collected by the LTO as part of the annual
vehicle registration in accordance with the
rates set forth in Section 3 hereof. The dates
of annual registration of motor vehicles shall
be based on the registration scheme provided by
the LTO.

"(c) Effect of Failure to Pay Motor
Vehicle Road User's Tax. -- Any registration of
motor vehicles not renewed on or before the
date fixed by the LTO shall be considered
delinquent and invalid."

Sec. 5. Section 7 of Republic Act No. 8794, as amended by
Republic Act No. 11239, is hereby further amended to read as
follows:

"Sec. 7. Disposition of Monies Collected. -- All
monies collected under this Act shall be remitted to the
National Treasury under a special account in the
General Fund to be earmarked solely for the
construction, upgrading, repair, and rehabilitation of
roads, bridges, and road drainage to be included in the
annual General Appropriations Act[: Provided,
THAT FIFTY PERCENT (50%) OF THE INCREMENTAL
revenues collected under this Act shall be
allocated and used exclusively for the
following purposes:

(1) Forty-five percent (45%) for the
modernization of public utility vehicles,
particularly for the equity subsidy of public
transport operators consolidated as transport
cooperatives for the acquisition of EURO-4
compliant public utility vehicles plying
authorized routes as determined by the DOTr
and the Land Transportation Franchising and
Regulatory Board (LTFRB): Provided, That said
incremental revenues shall be earmarked upon
approval of this Act until December 31, 2024
for the modernization of public utility
vehicles: Provided, further, That the
earmarked funds shall revert to the special
account in the General Fund effective January
1, 2025;

(2) Five percent (5%) for government
programs to be undertaken for prevention of
deaths due to road accidents, and accident
victims' assistance, including the following:
(a) The improvement of existing drivers'
education programs, training academies and
drivers' license examinations by the LTO;
(b) The establishment of additional motor
vehicle inspection centers by the LTO;

(c) The improvement of road management
systems by the DOTr;
(d) The provision of supplemental
hospitalization coverage by the Philippine
Health Insurance Corporation (PhilHealth)
for victims of road accidents;
(e) The provision by the Employees'
Compensation Commission of workmen's
compensation for victims of road accidents who
are unable to be gainfully employed for a
continuous period due to disability, pursuant to
the provisions of Republic Act No. 772, as
amended, or the Workmen's Compensation Act;
and
(f) The establishment by the Department
of Health (DOH) of emergency care facilities in
areas that have high incidence of road
accidents."

SEC. 6. Implementing Rules and Regulations. – The DOTr, in
coordination with the DOF, DOH, and the LTFRB, shall promulgate
the rules and regulations to implement this Act within thirty (30)
days from its effectivity.

SEC. 7. Repealing Clause. – All laws, orders, issuances,
circulars, rules and regulations or parts thereof, which are
inconsistent with the provisions of this Act are hereby repealed or
modified accordingly.

SEC. 8. Separability Clause. – If any provision of this Act is
declared unconstitutional or invalid, other parts or provisions hereof
not affected thereby shall continue to be in full force and effect.
SEC. 9. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least one (1) newspaper of general circulation.

Approved,