

REPUBLIC OF THE PHILIPPINES }
CONGRESS OF THE PHILIPPINES }
 Second Regular Session

H. No. 6863
S. No. 1830

REPUBLIC ACT NO. 8794

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 House of Representatives of the
Philippines in Congress assembled:*

SECTION 1. *Declaration of Policy.* – It is hereby declared as the policy of the State to provide for and ensure the adequate maintenance of national and provincial roads through sufficient funding for the purpose.

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 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. *Rates of the Motor Vehicle User's Charge.* – (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).

Type of Vehicle	Base Rates
I. Private and Government	
A. Passenger Cars	
(1) GVW up to 1,600 kgs.	P 800
(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	P 120
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. 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. 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

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.

SEC. 4. *Government Motor Vehicles.* – The manner of payment of the user's charge 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).

SEC. 5. Reclassification and New Models of Motor Vehicles. – The Land Transportation Office (LTO) shall submit any recommendation for any change in the classification of motor vehicles above-listed for approval by the Secretary of the Department of Transportation and Communications (DOTC). All manufacturers and/or assemblers of motor vehicles shall, not later than three (3) months prior to the introduction of any new model of motor vehicle in the market, submit the specifications of such new model to the LTO which shall recommend for approval by the said secretary, the proper classification of the new model and the rate of 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 of 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 (13,500 kgs.).

SEC. 7. Disposition of Monies Collected. – All monies collected under this Act 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.

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 Road Safety Fund; and

(4) Seven and one-half percent (7.5%) shall be allotted to and place in the Special Vehicle Pollution Control Fund.

The Special Road Support Fund, the Special Local Road Fund and the Special Road Safety 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 exclusively for the maintenance of, and the improvement of drainage of, national primary roads. The remaining thirty percent (30%) thereof shall be allocated and used for the maintenance, and improvement 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 Fund.

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 Departments of Finance, Budget and Management, and Transportation and Communications, as *ex officio* members. The remaining three (3) members shall come from transport and motorist organizations

which have been in existence and active for the last five (5) years prior to this Act. They shall be appointed for a 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. *Status of the Special Funds.* – The four (4) special funds established under this Act shall be distinct and separate from and in addition to 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. *Implementing Rules and Regulations.* – The secretaries of the DPWH and the DOTC shall jointly within thirty (30) days from the effectivity of this Act, promulgate the rules and regulations to implement and carry out the intent, objectives, purposes and provisions of this Act, including such structural and procedural improvements 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 the implementing rules and regulations 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 regulations pertaining to the collection of the MVUC stated under Section 3 of this Act and on the disposition of the monies accruing to the Special Vehicle Pollution Control Fund.

SEC. 10. *Prohibition Against the Imposition of Similar Charge on Users of Motor Vehicles.* – No other tax, fee or any other charge of similar nature, as the Motor Vehicle User's Charge shall be imposed by any political subdivision or unit in the country.

This provision shall apply to all motor vehicles, including tricycles, motorized pedicabs and "trisykads."

SEC. 11. *Repealing Clause.* – Except as provided under Section 3 hereof, all other provisions of Executive Order No. 43, series of 1986, and Section 8 of Republic Act No. 4136, as amended by Batas Pambansa Bilang 74, and all other 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. 12. *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. 13. *Effectivity.* – This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved, June 27, 2000.