

**[REVENUE REGULATIONS NO. 5-2018, January
26, 2018]**

**REVENUE REGULATIONS IMPLEMENTING THE ADJUSTMENT OF
RATES ON THE EXCISE TAX ON AUTOMOBILES PURSUANT TO
THE PROVISIONS OF REPUBLIC ACT NO. 10963, OTHERWISE
KNOWN AS THE "TAX REFORM FOR ACCELERATION AND
INCLUSION (TRAIN) LAW" AMENDING FOR THE PURPOSE
REVENUE REGULATIONS NO. 25-2003**

<DIV ALIGN=JUSTIFY>

Adopted: 05 January 2018
Date Filed: 26 January 2018

SECTION 1. SCOPE. - Pursuant to the provisions of Section 244 in relation to Section 245 of the National Internal Revenue Code of 1997 (NIRC), as amended, and Section 84 of Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration and Inclusion (TRAIN) Law" these Regulations are hereby promulgated to amend Revenue Regulations (RR) No. 25-2003 providing for the revised tax rates of excise tax on automobiles.

SEC. 2. Section 2 of RR No. 25-2003 is hereby amended as follows:

"SEC. 2. DEFINITION OF TERMS - For purposes of these Regulations, the following words and phrases shall have the meaning indicated below:

(a) xxx

xxx xxx xxx

(N) HYBRID ELECTRIC VEHICLE - SHALL REFER TO A MOTOR VEHICLE POWERED BY ELECTRIC ENERGY, WITH OR WITHOUT PROVISION FOR OFF-VEHICLE CHARGING, IN COMBINATION WITH GASOLINE, DIESEL OR ANY OTHER MOTIVE POWER: PROVIDED, THAT, FOR PURPOSES OF THIS ACT, A HYBRID ELECTRIC VEHICLE MUST BE ABLE TO PROPEL ITSELF FROM A STATIONARY CONDITION USING SOLELY ELECTRIC MOTOR."

SEC. 3. Section 4 of RR No. 25-2003 is hereby amended as follows:

"SEC. 4. - RATES AND BASES OF THE AD VALOREM TAX ON AUTOMOBILES. There shall be levied, assessed and collected an ad valorem tax on automobiles based on the manufacturer's/assembler's or importer's selling price, net of excise and value-added tax, in accordance with the following schedule, EFFECTIVE JANUARY 1.

2018:

<p>NET MANUFACTURER'S PRICE/ IMPORTER'S SELLING PRICE</p>	<p>TA X RATE</p>
<p>U P TO SIX HUNDRED THOUSAND PESOS (P600, 000. 00)</p>	<p>FOU R PERCENT (4%)</p>
<p>OVE R SIX HUNDRED THOUSAND PESOS (P600, 000. 00) TO ONE MILLION PESOS (P1,000,000.00)</p>	<p>TE N PERCENT (10%)</p>
<p>OVE R ONE MI LLI ON PESOS (P1, 000, 000. 00) To FOUR MI LLI ON PESOS (P4, 000, 000. 00)</p>	<p>TWENTY PERCENT (20%)</p>
<p>OVE R FOUR MI LLI ON PESOS (P4, 000, 000. 00)</p>	<p>FIFTY PERCENT (50%)</p>

PROVIDED, THAT HYBRID VEHICLES SHALL BE TAXED AT FIFTY PERCENT (50%) OF THE APPLICABLE EXCISE TAX RATES ON AUTOMOBILES SUBJECT TO THE CONDITIONS IN SECTION 9(E) OF THIS REGULATIONS: PROVIDED, FURTHER, THAT IN THE CASE OF IMPORTED AUTOMOBILES NOT FOR SALE, THE TAX IMPOSED HEREIN SHALL BE BASED ON THE TOTAL LANDED VALUE, INCLUDING TRANSACTION VALUE, CUSTOMS DUTY AND ALL OTHER CHARGES."

SEC. 4. Section 9 is hereby amended as follows:

"SEC. 9. TAX-EXEMPT REMOVALS OF AUTOMOBILES. The following removals of locally manufactured/assembled or release of imported automobiles from the place of production or from customs custody, respectively, are exempt from the payment of the appropriate excise taxes subject to certain conditions.

a. xxx

xxx xxx xxx

E. PURELY ELECTRIC VEHICLES SHALL BE EXEMPT FROM THE EXCISE TAX ON AUTOMOBILES. HYBRID VEHICLES SHALL BE SUBJECT TO FIFTY PERCENT (50%) OF THE APPLICABLE EXCISE TAX RATES ON AUTOMOBILES. PRIOR TO THE REMOVAL OF THE AUTOMOBILES FROM THE MANUFACTURING PLANT OR CUSTOMS CUSTODY, THE DEPARTMENT OF ENERGY (DOE) SHALL DETERMINE WHETHER THE AUTOMOBILES ARE HYBRID VEHICLES OR PURELY ELECTRIC VEHICLES, AND FURNISH THE COMMISSIONER OF INTERNAL REVENUE, ATTENTION: CHIEF EXCISE LARGE TAXPAYERS REGULATORY DIVISION (ELTRD), CERTIFIED COPIES OF THE RESULTS OF SUCH EXAMINATION OR INDORSEMENT TO THAT EFFECT.

F. PICK-UPS."

SEC. 5. A new provision designated as Section 5-A in RR No. 25-2003 is hereby inserted to read as follows: