

[FIRB RESOLUTION NO. 16-95, April 07, 1995]

TAX SUBSIDY GUIDELINES ON MOTOR VEHICLES

WHEREAS, a number of loan arrangements/grants and/or donations in favor of, as well as commercial importations by, government by, government entities feature the provisions of motor vehicles as a component thereof;

WHEREAS, the actual use of these motor vehicles may go beyond the exclusive requirements of the loan arrangements/grants, donations and/or of the government corporation, in the process creating opportunities for leakages;

WHEREAS, the provision of tax subsidy thereon has to be rationalized in view of such leakages and in consideration of prevailing government policy on motor vehicles;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That motor vehicles acquired by loan arrangements/grants, donations and/or commercial importations shall only be entitled to the tax subsidy administered by the FIRB, provided: (1) such motor vehicles are of the specialized type; (2) the recipient GOCC does not have the relative financial capacity to assume the burden of the taxes and duties thereon; (3) in the case of donations, the donor is a government/regional/international institution; (4) the GOCC shall certify that the motor vehicle shall be for its official use only and/or report to the FIRB, as the latter may require, that the same is being used as such; (5) the motor vehicles are left-hand driven and are environment-friendly; and (6) the motor vehicles would have qualified under the corresponding rules and regulations of the Bureau of Import Services of the Department of Trade and Industry thereon.

BE IT FURTHER RESOLVED, AS IT IS HEREBY RESOLVED, That motor vehicles granted tax subsidy hereunder shall not be disposed of by the GOCC within five (5) years from importation/donation thereof. Otherwise, the GOCC shall be required to reimburse the government for the money equivalent of the tax subsidy granted in its favor, which amount shall be remitted to the Treasury and in the account of the government: provided, however, That disposition of motor vehicles granted tax subsidy may be allowed by the FIRB after the effective lifespan of said motor vehicles has already expired and the concerned GOCC has made a report thereon to the FIRB. In such a case, the proceeds from the disposition may be retained by the concerned GOCC.

BE IT FURTHERMORE RESOLVED, AS IT IS HEREBY RESOLVED, to recommend to the Department of Budget and Management the revision of Joint Circular No. 2-91 (Rules and Regulations to Implement the Tax Subsidy Provision Under the General Appropriations Act) to integrate therein the foregoing guidelines to apply as well to motor vehicle acquisitions by national government agencies and local government units.