

[LTO MEMORANDUM CIRCULAR NO. 93-187, July 26, 1993]

COLLECTION OF TAX DEFICIENCY ON PRIVATE TRUCKS UNDER EXECUTIVE ORDER NO. 43, AS IMPLEMENTED BY MEMORANDUM CIRCULAR NOS. 85-021 AND 87-001

A study shows that private truck buses (T/TB) fall within the purview of and are distinctly covered by PD 1958 and EO 43. In specifying utility vehicles 2700 kgs and below, PD 1958 and EO 43 simply provided a RECKONING POINT at which the base rate of P1,000 should be applied to all motor vehicles classified as private whose registration tax is determined by the gross vehicle weight (GVW). Hence, Said vehicles weighing 2701 kgs and above should pay P1,000 plus the rate under BP 74 for the weight in excess of 2700 kgs.

The implementing issuances, Memorandum Circular No. 85-021 and 87-001 cover not only private utility vehicles but also trucks and truck buses, but only the former have heretofore been subjected to the base rate of P1,000 aside from the tax for the weight in excess of 2700 kgs. Accordingly, owners of trucks and truck buses classified private have heretofore been made to pay only P540 for gasoline-fed and P324 for diesel-fed motor vehicles by applying the rates prescribed under BP 74 independently from and without the base rate of P1,000 under EO 43. This deficiency is clearly in violation of the uniformity rule in taxation and repugnant to the basic principle underlying BP 74 such that the heavier the vehicle, the larger the tax. Additionally, this is but proper since it is common knowledge that it is the heavier vehicles that destroy our highways.

To place private trucks and truck buses on the same footing as utility vehicles, the resulting tax deficiency of P460 for gasoline-fed and P676 for diesel-fed should be collected retroactively. However, since this issuance is curative in nature, jurisprudence dictates that it be prospective.

Pursuant to Section 4d(1) of Republic Act No. 4136 as amended, Section 4 of Memorandum Circular No. 85-021 is hereby amended to read as follows:

"SECTION 4. Rate of Private Motor Vehicle Tax/Registration Fees — The following shall, in addition to other miscellaneous fees be collected:

- a. Utility vehicles with a gross vehicle weight of 2700 kilograms and below shall pay a straight private motor vehicle tax of P1,000 for those whose age is current up to five years old. Those whose age is more than five years shall pay P900;
- b. Utility vehicles, trucks, and truck buses with a gross vehicle weight of 2701 kilograms and above shall pay the following: