

IMPOSING A TAX ON EVERY MOTOR VEHICLE EQUIPPED WITH AIR CONDITIONER

PRESIDENTIAL DECREE No. 1686, March 19, 1980

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WHEREAS, it is necessary that every means should be considered to conserve energy and to discourage its unproductive use;

WHEREAS, the use of air-conditioners makes the vehicle consume more gasoline as compared to one which has no such accessory;

WHEREAS, only the more affluent or high-income group who have the capacity to pay, install or use car air-conditioners; and

WHEREAS, this decree which is primarily intended as a fiscal tool for energy conservation can also serve as a revenue measure;

NOW, THEREFORE, I, FERDINAND E. MARCOS, by virtue of the powers in me vested by the Constitution, do hereby order and decree:

SECTION 1. In addition to the annual registration fee and other charges imposed on motor vehicles under the Land Transportation and Traffic Code, there shall be collected, by the Bureau of Land Transportation a tax on said vehicles equipped with air-conditioners as follows:

Bantam and Light

P500.00

Heavy, Extra Heavy, Sports Car and Buses

P1000.00

SEC. 2. If after registration, an air-conditioner is subsequently installed or used in a motor vehicle, the additional tax provided herein shall be paid to the Director of the Bureau of Land Transportation within thirty (30) days after such installation, PROVIDED, THAT, if an airconditioner is removed before registration and installed thereafter, for the purpose of evading payment of this tax, the owner of the vehicle shall be punished by a fine of not more than five thousand (P5,000) pesos and imprisonment of not more than six (6) months.

SEC. 3. For failure to pay the additional tax in the manner provided herein, the penal provisions prescribed in R.A. 4136, as amended, otherwise known as Land Transportation and Traffic Code, insofar as pertinent shall likewise apply.

SEC. 4. No vehicle subject to the tax herein imposed shall be registered by the Bureau of Land Transportation

without the said tax having first been paid. The Director of the Bureau of Land Transportation shall collect the additional tax as deputy of the Commissioner of Internal Revenue and shall turn over the proceeds thereof within ten (10) days after the end of each month to the Treasurer of the Philippines, together with a monthly collection report, copy of which shall be furnished to the Commissioner of Internal Revenue.

SEC. 5. The Minister of Finance shall promulgate the necessary rules and regulations for the effective implementation of this Decree.

SEC. 6. All laws, decrees, acts and parts thereof, rules and regulations which are inconsistent with the provisions of this Decree are hereby repealed.

SEC. 7. This Decree shall take effect immediately.

Done in the City of Manila, this 19th day of March, in the year of Our Lord, nineteen hundred and eighty.

(SGD.) FERDINAND E. MARCOS

President of the Philippines

By the President:

(SGD.) JOAQUIN T. VENUS, JR.

Presidential Staff Director

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