RULE IN DETERMINING WHETHER AN IMPORTED MOTOR VEHICLE IS A UTILITY VEHICLE OR AN AUTOMOBILE SUBJECT TO AD VALOREM TAX UNDER SECTION 149, NIRC

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This Office has observed that in certain cases the "seating capacity" rule in determining if a motor vehicle is a utility vehicle or an automobile that is subject to ad valorem tax under Section 149, NIRC has not been observed.

For the information of all concerned, BIR has confirmed that the "seating capacity" is still the rule to be applied in determining whether a motor vehicle is an automobile or a utility vehicle.

Henceforth, everyone is reminded that motor vehicles specially designed to transport passengers not exceeding nine (9) persons including the driver shall be considered as automobiles subject to ad valorem tax under Section 149, NIRC.

It is hereby decided that a review be made of previous releases and those not assessed ad valorem tax in line with the "seating capacity" rule be assessed additional payments accordingly.

Adopted: 13 Dec. 1994

(SGD.) GUILLERMO L. PARAYNO, JR.
Commissioner

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