

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

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

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/c4120a38a48c/>

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:

1. A basic registration tax of P1,000 for those whose age is current up to five years old and P900 for those whose age is more than five years old; and

2. Incremental registration tax for the weight in excess of 2700 kilograms at the rate fixed by Batas Pambansa Blg. 74 as follows:

P20.00 per 100 kgs. — gasoline-fed

P12.00 per 100 kgs. — diesel-fed

3. For convenience in computation, in addition to existing fees, trucks, and truck buses whose date of original registration (DOR) is:

a. Current up to five years old shall pay an additional amount of:

P460 for gasoline-fed

P676 for diesel-fed

b. More than five years old shall pay an additional amount of:

P360 for gasoline-fed

P576 for diesel-fed”

All circulars, memoranda, and other issuances in conflict herewith are deemed modified, superseded, and/or repealed.

The provisions of this memorandum circular shall take effect fifteen (15) days after publication in the National Administrative Register and in a newspaper of general circulation.

Adopted: 26 July 1993

(Sgd.) MANUEL F. BRUAN

(Sgd.) JESUS B. GARCIA, JR.

Brig. Gen. AFP (Ret)

Secretary

Assistant Secretary

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.