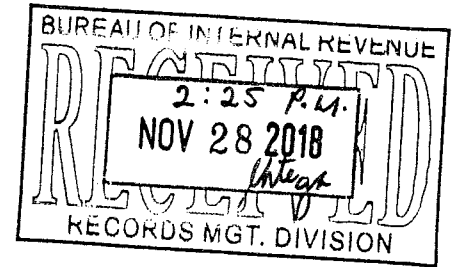




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City



REVENUE REGULATIONS NO. 24-2018

SUBJECT : Further Amending Section 9 of Revenue Regulations No. 25-2003 Relative to the Determination by the Department of Energy Whether the Automobiles Subject to Excise Tax Exemption are Hybrid or Purely Electric Vehicles pursuant to the Provisions of Republic Act No. 10963, Otherwise known as the "Tax Reform for Acceleration and Inclusion (TRAIN) Law"

TO : All Revenue Officers and Others Concerned

SECTION 1. Scope – Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code of 1997 (NIRC), as amended, in relation to Section 84 of Republic Act No. 10963, otherwise known as the "TRAIN Law", these Regulations are hereby promulgated to further amend Section 9 of Revenue Regulations No. 25-2003, as amended by Section 4 of Revenue Regulations No. 05-2018, providing for the Department of Energy (DOE) to determine whether the automobiles subject to excise tax exemption are hybrid vehicles or purely electric vehicles pursuant to the provisions of the TRAIN Law.

SECTION 2. Purpose of Regulations – The purpose of these Regulations is to amend/revise the guidelines and procedures for the processing of the request for tax exemption of Hybrid or Purely Electric Vehicles by the DOE, consistent with the objective of promoting the ease of doing business and efficient delivery of government service under Republic Act (RA) No. 11032. During the inter-agency consultation called by the DOE with representatives from BIR, DOF and BOC, the DOE proposed that the BIR could use as a basis the current Department of Environment and Natural Resources (DENR) system of issuing a Certificate of Conformity (COC) for new motor vehicles in determining with high level of confidence the vehicle classification as Hybrid or Purely Electric Vehicles (HEV/EV) as defined under RA No. 10963. The actual inspection or separate validation of vehicle by the DOE to verify whether the automobile is an HEV/EV is a clear duplication of an existing DENR issuance of COC for new locally manufactured or imported vehicles.

SECTION 3. Further Amending Section 9(E) of RR No. 25-2003 - Section 9(E) of RR No. 25-2003 is further amended to read as follows:

"SEC. 9. TAX-EXEMPT REMOVALS OF AUTOMOBILES. The following removals of locally manufactured/assembled or release of imported automobiles from the place of production or from customs custody, respectively, are exempt from the payment of the appropriate excise taxes subject to certain conditions.

a. xxx

xxx xxx xxx

E. PURELY ELECTRIC VEHICLES SHALL BE EXEMPT FROM THE EXCISE TAX ON AUTOMOBILES. HYBRID VEHICLES SHALL BE SUBJECT TO FIFTY PERCENT (50%) OF THE APPLICABLE EXCISE TAX RATES ON AUTOMOBILES. PRIOR TO THE REMOVAL OF THE AUTOMOBILES FROM THE MANUFACTURING PLANT OR CUSTOMS CUSTODY, THE

COMMISSIONER OF INTERNAL REVENUE (CIR), ATTENTION: CHIEF, EXCISE LARGE TAXPAYER REGULATORY DIVISION (ELTRD) SHALL REQUIRE FROM THE MOTOR VEHICLE MANUFACTURER/ASSEMBLER/IMPORTER THE PRESENTATION/SUBMISSION OF THE CERTIFICATE OF CONFORMITY (COC) ISSUED BY THE DENR – ENVIRONMENT MANAGEMENT BUREAU (EMB) WHICH CONTAINS INFORMATION ON THE VEHICLE’S MODEL/MAKE AND OTHER TECHNICAL SPECIFICATION/INFORMATION, INCLUDING THE CORRESPONDING CLASSIFICATION ON FUEL FEED FROM WHICH IT CAN BE ASCERTAINED WHETHER THE VEHICLE IS A HYBRID ELECTRIC VEHICLE (HEV).

IN CASE THE SUBJECT OF THE APPLICATION FOR COC IS A PURELY ELECTRIC VEHICLE (EV), A CERTIFICATE OF NON-COVERAGE (CONC), INSTEAD OF COC, SHALL BE PRESENTED TO THE ELTRD BY THE MANUFACTURER/ASSEMBLER/IMPORTER, STATING THEREIN THAT THE VEHICLE APPLIED FOR COC IS A PURELY ELECTRIC VEHICLE (EV) AND HAS NO TAILPIPE EMISSION AND THEREFORE NOT COVERED BY RA NO. 8749 (PHILIPPINE CLEAN AIR ACT).

THE BIR SHALL MAKE A DETERMINATION WHETHER THE EV OR HEV IS EXEMPT FROM EXCISE TAX OR SUBJECT TO 50% EXCISE TAX, RESPECTIVELY, ON THE BASIS OF THE CONC OR COC ISSUED BY THE DENR-EMB AS PRESENTED BY THE MANUFACTURER/ASSEMBLER/IMPORTER.

FOR PURPOSES OF VALIDATING THE AUTHENTICITY OF THE COC OR CONC PRESENTED BY THE VEHICLE MANUFACTURER/ASSEMBLER/IMPORTER, THE DENR-EMB SHALL PROVIDE THE BIR A CERTIFIED TRUE COPY OF THE COC AND CONC ISSUED TO THE MANUFACTURER/ASSEMBLER/IMPORTER FOR NEW LOCALLY MANUFACTURED OR IMPORTED HEV OR EV.”

SECTION 4. Repealing Clause. - The provisions of any revenue regulations, revenue memorandum circulars or any other issuances inconsistent with these Regulations are hereby revoked, repealed or amended accordingly.


SECTION 5. Effectivity. - These Regulations shall take effect on January 1, 2018 following its complete publication in the Official Gazettes or in at least one (1) newspaper of general circulation.


CARLOS G. DOMINGUEZ
Secretary of Finance

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Recommending Approval:


CAESAR R. DULAY

Commissioner of Internal Revenue

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