

[BIR REGULATIONS NO. 04-2003, January 29, 2003]

AMENDING CERTAIN SECTIONS OF REVENUE REGULATIONS NO. 14-97, AS AMENDED BY REVENUE REGULATIONS NO. 14-99, OTHERWISE KNOWN AS THE REVENUE REGULATIONS GOVERNING THE IMPOSITION OF EXCISE TAX ON AUTOMOBILES

SECTION 1. Scope. — Pursuant to the provisions of Section 244 in relation to Section 245 of the Tax Code of 1997 (Code), these Regulations are hereby promulgated to implement the provisions of Section 149 of Title VI of the said Code, imposing an excise tax on automobiles.

SEC. 2. The Definition of Terms. — Section 2 of Revenue Regulations No. 14-97, as amended by Revenue Regulations No. 14-99, is hereby further amended to read as follows:

"(a) AUTOMOBILE — shall refer to any four- (4) or more-wheeled vehicle, other than a truck, pick-up, jeep/jeepney, bus, or vehicle used for special purpose, which is propelled by gasoline or diesel and specially designed to transport persons and not primarily to transport freight or merchandise. The term automobile shall also include utility vehicles and Light Commercial Vehicles (LCVs) designed to carry both passenger and cargo, except when the seating capacity thereof is at least 10 or more adult passengers, including the driver, subject to the criteria used in determining the seating capacity herein prescribed;

Provided that, notwithstanding any contrary rule, closed or covered four-wheel drive vehicle, primarily designed to carry passengers, regardless of the number of seats, shall be considered and taxed as an automobile for purposes of these Regulations.

Provided, finally, that ocular inspection must be conducted in all cases, taking careful consideration of the criteria stated in this sub-paragraph (a) for the proper determination as to whether or not said vehicle is an automobile. A written report of each ocular inspection must be prepared by the inspecting officer to enable the reviewing officer to determine whether the inspected vehicle meets the criteria of an automobile as defined in these Regulations.

The passenger seats must conform to the following rules and area specifications for the uniform application of the number of seats criterion:

1. Each seat shall be of a horizontal rectangular area with seat and feet space of not less than thirty-five centimeters (35 cm.) wide and sixty centimeters (60 cm.) long for each passenger, and fifty centimeters (50 cm.) wide and sixty centimeters (60 cm.) long for the driver or operator.

Provided, in cases of contoured and bucket type-seats or with shapes other than the conventional horizontal rectangular form, seat width shall be measured at the middle portion thereof. Provided further, that for the corresponding space that will be occupied by any obstruction such as, but not limited to, doorside built-in armrest, overhead air condition duct, protruding amplifier box or wheel house, an imaginary straight line along the obstructed space shall be drawn, measured and deducted from the total width of the seat. The length of seats located at the front row shall be measured from the lowest point of the backrest in a straight and level line up to the dashboard. Moreover, the distance between the passenger shoulder level and the backrest of the seat in front shall always approximate the minimum length measurement prescribed herein. In cases of passenger seats facing opposite each other, the length of each passenger seat, representing one half ($1/2$) of the entire distance between the points where the inner edge of each seat will intersect with the lowest part of its backrest, shall likewise meet the prescribed minimum length.

2. The number of seats of an automobile as defined by these Regulations shall be determined by counting the number of seat spaces that meet the minimum area specifications prescribed herein. Half-seat shall not be counted as one passenger seat even if there are multiples of half-seats. Thus, a utility vehicle with nine (9) and one-half ($1\frac{1}{2}$) seat or nine (9) and two (2) half-seats and so on shall be considered as an automobile subject to ad valorem tax. A contiguous row of seats shall have as many number of passenger seats as there are seat spaces that meet the minimum prescribed measurements. However, any seat space in excess of the aforesaid area specifications, if any, shall not be counted as one seat even if it meets the half-seat specifications of seventeen and one-half ($17\frac{1}{2}$) wide. In cases of contiguous row of seats with shapes other than the conventional horizontal rectangular form, each seat shall be treated individually applying the minimum prescribed measurements for such type of seats.

3. Aside from meeting the aforesaid measurements, the seat area must include the corresponding feet spaces, leg and head rooms as described herein that will afford an average-built adult passenger to sit. Any seat space without the corresponding feet spaces, leg and head rooms, even if it meets the area measurements, shall not be counted as a passenger seat.

For this purpose, the feet space shall refer to the corresponding floor area of a passenger seat, upon which a sitting passenger normally rests both his feet. A passenger seat whose corresponding feet space is obstructed by a gear box shall be considered without seat space. Leg room shall mean that the passenger seat shall have enough elevation front the floor so as to allow the normal bending of the knees and positioning of the legs of a seated passenger. A seat laid down directly on the floor with only the seat itself providing its elevation from it or whose elevation is lower than the rest of the passenger seats thereby depriving the passenger to seat normally, shall be considered without leg room. Head room shall refer to the unobstructed ceiling space of a passenger seated upright. It shall be considered without head room if the ceiling or