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Tax in a dot

Amendment of documentary requirements to determine excise tax exemption of purely electric and hybrid vehicles



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TAX 2025-05

Amendment of documentary requirements to determine excise tax exemption of purely electric and hybrid vehicles

The Bureau of Internal Revenue (BIR) further amends Section 9 of Revenue Regulations (RR) No. 25-2003, as amended by Section 3 of RR No. 24-2018, providing for the Department of Environment and Natural Resources – Environment Management Bureau (DENR-EMB) to determine whether the automobiles subject to excise tax exemption are hybrid vehicles or purely electric vehicles pursuant to the provisions of Tax Reform for Acceleration and Inclusion (TRAIN) Law, which shall be 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 vehicles shall be exempt from the excise tax on automobiles. Hybrid vehicles shall be subject to fifty percent (50%) of the applicable excise tax. Prior to the removal of the automobiles from the manufacturing plant or customs custody, the Commissioner of Internal Revenue (CIR), shall refer to the electric vehicle recognition list published by the Department of Energy (DOE), which contains the information and classification for battery electric vehicles (purely electric vehicles/BEV), plug-in hybrid electric vehicles (PHEV), and hybrid electric vehicles (HEV).

The BIR shall make a determination whether the automobile is exempt from excise tax or subject to 50% excise tax, respectively, on the basis of the DOE's list of recognized electric vehicles, published on its website, without prejudice to the BIR's authority to conduct any post-verification assessment of the automobiles.

For purposes of keeping up to date with the latest publications of the list of recognized electric vehicles, the DOE shall furnish the BIR with a certified true copy of an updated list of recognized electric vehicles."

Please see attached Revenue Regulations No. 1-2025 for your reference, effective 6 January 2025.

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