REVENUE REGULATIONS NO. 24-2018 issued on November 28, 2018 further amends 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 (RA) No. 10963 (TRAIN Law).

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, 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 Department of Environment and Natural Resources (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 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, 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.