Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session
553

Introduced by **HON. DANILO E. SUAREZ**

EXPLANATORY NOTE

The Philippines, to be globally competitive, needs to modernize its information technology and comprehensively implement a computer literacy education program in both the elementary and high school levels. The private education sector has long been introducing its student population to computers, but the public schools, which educate the majority of our young people, remain lagging behind.

Almost always , the culprit is lack of funds to pursue and implement modernization measures in the educational system. Every year, general appropriations for the Department of Education and Culture increase, but still lack, in funds for the basics – construction of school buildings, increase in the number of teachers, trainings, printing and/or purchase of new textbooks, among others. Computer literacy education is not a top priority. With the country and the rest of the world reeling to Information Age, a concrete and decisive step should be done to uplift the quality of our public education to international standards.

This bill proposes to impose a seven percent computer education tax on receipts (excluding value-added tax) from cellular phone calls, especially those from blocked calls and dropped calls caused by the inefficiency of mobile phone operators, to be borne by cellular phone companies. This is aimed to start-up and finance the computer literacy education program in public schools nationwide. Our public schools should produce quality and computer-literate graduates. It is the call of the times, our youth need not lag behind their counterparts in the private schools and other countries so as to maintain the high literacy level our people should have in this era of information technology.

In view thereof, approval of this bill is earnestly and urgently sought.

HON. DANILO S. SUAREZ
Representative
3rd District, Quezon

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THIRTEENTH CONGRESS
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HOUSE BILL NO. 553

Introduced by **HON. DANILO E. SUAREZ**

AN ACT
IMPOSING A SEVEN PERCENT COMPUTER EDUCATION TAX ON RECEIPTS (EXCLUDING VALUE-ADDED TAX) FROM CELLULAR PHONE CALLS TO BE BORNE BY CELLULAR PHONE COMPANIES, CREATING A SPECIAL COMPUTER LITERACY EDUCATION FUND FOR PUBLIC SCHOOLS , AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Congress of the Philippines in session assembled:

SECTION 1. ***Creation of Special Computer Literacy Education Fund for Public Schools.*** - There is hereby created a Special Computer Literacy Education Fund for Public Schools, including state colleges and universities, hereafter referred to as the Special Fund, to be constituted from the proceeds of the tax imposed in Section Three of this Act to promote a comprehensive computer literacy education in public schools, and utilize this knowledge as an effective instrument for the advancement of a globally competitive citizenry through computer technology.

This Special Fund shall be expended exclusively for the programs, projects and activities of the Department of Education, Culture and Sports in the promotion of computer education in public schools primarily in the elementary and secondary levels, and support the computerization of state colleges and universities.

SEC. 2. - ***Expenditure of the Special Fund subject to Congressional Action***. - Expenditure of the Special Fund shall be in pursuance of appropriations made by law.

SEC. 3. - ***Imposition of a Computer Education Tax on Receipts (Excluding Value-Added Tax) From Cellular Phone Calls To Be Borne by Each Cellular Phone Company*** - There shall be levied, assessed and collected on receipts (excluding value-added tax) from cellular phone calls a computer education tax amounting to seven percent (7%) to be borne by each cellular company from the effectivity of the Act. Receipts from cellular phone calls shall mean revenues made by cellular companies from prepaid cellphone cards, text messaging service, post-paid calls and other services using the cellular network. This tax shall be in addition to, and separate from the income and value-added taxes a cellular company remits to the Bureau of Internal Revenue.

This tax to cellular companies shall be paid and remitted in the same manner and subject to the same penalties as the value added tax imposed under Republic Act Numbered Eight Thousand Four Hundred and Twenty Four. *Provided*, however, That from the effectivity of this Act, the words "Computer Education Tax" shall be printed across all official assessments and receipts issued covering the payment of the tax herein imposed to cellular companies.

Sec. 4. ***Prohibition to Cellular Companies of Passing on the Incidence of Tax to the Subscribers.*** - This Act prohibits cellular companies to impose additional charges or fees to their subscribers in lieu of the imposition of the computer education tax.

Sec. 5. ***Duration of the Computer Education Tax***. - The tax imposed herein shall be collected for a period of fifteen years from the effectivity of this Act.

SEC. 6. ***Penal Provision***. - Any person who fails or refuses to turn over collections of the tax mentioned in this Act within the prescribed period as required by law, or who delays, obstructs or prevents the same; or who fails or refuses to effect releases from the Special Fund, or who delays, obstructs or prevents the same; or who orders, causes or effects the transfer or diversion of the collections of this Special Fund shall be punished by a fine in the amount of not less than thirty thousand pesos (P30,000.00) but not more than fifty thousand pesos (P50,000.00) or suffer imprisonment of not less than three years but not more than six years or both at the discretion of the Court. If the offender is a government official or employee, he shall, in addition, be dismissed from the service with prejudice to reinstatement and with disqualification for election to any public office. If he is an alien, he shall, in addition, be deported after payment of fine, without further deportation proceedings.

Violation of the provision of Section 4 of this Act shall subject the cellular company to pay the amount of tax that is passed on to its subscribers plus a surcharge of twenty-five percent of the total amount thereof.

SEC. 7. ***Rules and Regulations.*** - The Secretary of Finance, the Secretary of Transportation and Communication and the Secretary of Education, Culture and Sports, in coordination with the Budget Secretary, shall promulgate the rules and regulations relating to the collection, disbursement and utilization of the tax accruing to the Special Computer Education Fund as may be necessary.

SEC. 8. ***Annual Report.*** - The Secretary of Education, Culture and Sports shall submit within fifteen days from the opening of the regular session of Congress to the President of the Philippines, to the President of the Philippine Senate and the Speaker of the House of Representatives, and to the Chairman of the Committee on Ways and Means of both Houses of Congress, an annual report which shall include an account of the programs, projects and detailed expenses undertaken pursuant to this Act.

SEC. 9. ***Separability Clause.*** - If any of the sections or provisions of this Act is held invalid, all the other provisions not affected thereby shall remain valid.

SEC. 10. ***Repealing Clause.*** - All laws, decrees, executive orders, rules and regulations, and other issuances inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 11. ***Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

APPROVED.