

FIFTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. **5916**

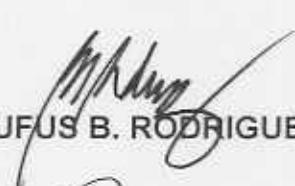
EXPLANATORY NOTE

Among the basic needs given importance by most families is education. This is the reason why even if they can barely eat three meals a day, parents and working students often forego other needs just to pay for education.

One of the factors which place a big burden to the populace is the high tuition fees of schools which is even aggravated by the value-added tax (VAT) that is being passed on to the schools by its suppliers of goods and services. Unfortunately, the VAT is then passed on by the school to the students which make it more difficult for them to afford the already high tuition fees.

As such, and in order to help ease this burden, an amendment must be made to Section 109 (m) of the Tax Reform Act of 1997 by exempting from VAT goods purchased by the school and services rendered to it by its suppliers and service providers.

In view of the foregoing, immediate passage of this bill is earnestly requested.


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

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AN ACT

FURTHER AMENDING REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE
TAX REFORM ACT OF 1997 BY EXEMPTING FROM VALUE-ADDED TAX THE
GOODS AND SERVICES ACQUIRED BY EDUCATIONAL INSTITUTIONS

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

SECTION 1. Section 109 (M) republic Act 8424, otherwise known as the Tax Reform
Act of 1997 is hereby amended to read as follows:

Section 109. Exempt Transactions. - The
following shall be exempt from the value-added
tax:

XXX XXX XXX

(m) Educational services rendered by private
educational institutions, duly accredited by the
Department of Education, Culture and Sports
(DECS) and the Commission on Higher
Education (CHED), and those rendered by
government educational institutions[.],
**INCLUDING ALL GOODS PURCHASED AND
SERVICES RENDERED TO SAID
EDUCATIONAL INSTITUTIONS BY
SUPPLIERS AND SERVICE PROVIDERS,
RESPECTIVELY.**

SEC. 2. Repealing Clause – All laws, presidential decrees, executive and
administrative orders, rules and regulations, or parts thereof, inconsistent with the
provisions of this Act are hereby repealed or modified accordingly.

SEC. 3. Effectivity – This Act shall take effect fifteen (15) days from the date of its
publication in at least three (3) national newspapers of general circulation.

Approved,