

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS

1st Regular Session

HOUSE BILL NO. 223



**Introduced by Citizens' Battle Against Corruption (CIBAC) Party List
Representative Cinchona Cruz-Gonzales**

EXPLANATORY NOTE

Education is a prerequisite in nation building. It enlightens the society and helps grow our economy.

Article II, Section 13 of the Constitution states that the Philippines recognize the vital role of the youth in nation-building. It also provides the State's obligation to promote and protect the physical, moral, spiritual, intellectual, and social well-being of the youth.

Furthermore, Article XIV, Section 1 and 2 of the Constitutions provides that,

Section 1. The State shall protect and promote the right of all citizens to quality education at all levels, and shall take appropriate steps to make such education accessible to all.

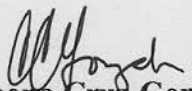
Section 2. The State shall:

1. Xxx
2. xxx
3. Establish and maintain a system of scholarship grants, student loan programs, subsidies, and other incentives which shall be available to deserving students in both public and private schools, especially to the under-privileged;
4. xxx
5. xxx

Despite the mechanisms and other programs already implemented by the government, still many of the youth today fail to enter and finish college due to the rising cost of tuition fees, price hike of commodities such as books and school supplies and low income rate of their families. Several of them drop out of college due to failure to sustain their needs.

Giving discounts "to underprivileged but deserving college students will encourage more youth to enroll in the tertiary level of education and will help the State produce more graduates who will eventually lead our country towards its goal.

To continue build our nation, there is a need to establish a strong support for education. It is high time that the State take appropriate steps to make education accessible to all. The immediate passage of the bill serves the intention of the constitution and implements its provisions.


Hon. Cinchona Cruz-Gonzales
Representative, CIBAC Party List

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**AN ACT GRANTING DISCOUNTS TO UNDERPRIVILEGED COLLEGE
STUDENTS ON BASIC AND EDUCATION SERVICES**

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

SECTION 1. Short Title. – This Act shall be known as the “Underprivileged College Students’ Discounts Act”

SEC. 2. Declaration of Policy. – It is the policy of the State to prioritize quality education and take appropriate steps to make such education accessible to all.

SEC. 3. Definition of Terms. – As used in this Act, the following terms shall have the following meaning:

- (a) Underprivileged college students refer to Filipino students enrolled in the tertiary level whose parents have a gross annual income of not more than One hundred thousand pesos (P100,000.00), subject to review by the National Economic and Development Authority (NEDA) every three (3) years. These also include Filipino college students who opt to take part-time jobs to subsidize their education and whose income combined with the annual gross income of their parents do not exceed One hundred thousand pesos (P100,000.00), subject to review by the NEDA every three (3) years.
- (b) Discounts refer to the amount deducted or counted off from the cost of goods under basic services and from fees to be collected on education services.

- (c) Basic services refer to basic necessities such as food for snacks and meals and medicines.
- (d) Education services refer to education-related expenditures such as tuition, miscellaneous and other school fees, books and school supplies.

SEC. 4. Discounts for Underprivileged College Students. – Underprivileged college students shall be entitled to the following:

- (a) On Food Establishments. – A five percent (5%) discount shall be granted to underprivileged college students by food establishments such as food chains, canteens and restaurants anywhere in the country: Provided, That private food establishments may claim the cost as allowable tax deduction from the gross income in the computation of the income tax, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended;
- (b) On Medicines. – A five percent (5%) discount shall be granted to underprivileged college students by pharmacies or drug stores anywhere in the country: Provided, That these pharmacies or drug stores may claim the cost as allowable tax deduction from the gross income in the computation of the income tax, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended;
- (c) On Textbooks and School Supplies. – A five percent (5%) discount shall be granted to underprivileged college students by establishments anywhere in the country that sell reference books for college and school supplies: Provided, That these establishments may claim the cost as allowable tax deduction from the gross income in the computation of the income tax, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended; and
- (d) On Tuition Fees, Miscellaneous and Other School Fees. – A five percent (5%) discount shall be granted to underprivileged college students by public and private schools where they are enrolled anywhere in the country, without prejudice to their right in availing themselves of other educational assistance given by the school and the government such as the “Study Now, Pay Later Plan” under Republic Act No. 6728: Provided, That the schools may claim the cost as allowable tax deduction from the gross income in the computation of the income tax, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended.

SEC. 5. Limitations. – The right of any underprivileged college student to avail himself/herself of the discounts under this Act shall not apply if:

- (a) He/She fails for one (1) semester in the majority of the academic subjects in which he/she has enrolled during the course of his/her study, unless such failure is due to some valid cause beyond his/her control;
- (b) He/She fails to finish his/her course within two (2) years after the year within which he/she should have graduated;
- (c) He/She stops schooling for one (1) school year, unless such is due to some valid cause beyond his/her control; and
- (d) He/She is convicted of any crime under the Revised Penal Code.

SEC. 6. Role of the Commission on Higher Education (CHED). – The CHED shall be in charge of determining the qualified beneficiaries under this Act through its Office of Student Services (OSS). The CHED Chairman shall include in the regular functions of the OSS the following additional functions:

- (a) To plan, implement and monitor yearly work programs, evaluate and submit annual reports in pursuance of the objectives of this Act;
- (b) To screen applicants, receive documentary proof, and identify who are the eligible underprivileged college students based on the provisions of this Act;
- (c) To closely coordinate with the NEDA in determining the income brackets of Filipino families for the purpose of identifying underprivileged college students;
- (d) To issue identification cards which shall be valid anywhere in the country as proof of the eligibility of the underprivileged college students to avail themselves of the discounts;
- (e) To maintain and regularly update, on a quarterly basis, the list of underprivileged college students who avail themselves of the discounts and to review, evaluate and assess their academic standing;
- (f) To cancel the identification cards issued for those disqualified under Section 5 of this Act;
- (g) To provide information to the affected establishments under Section 4 of this Act for any question regarding the eligibility of any underprivileged college student claiming the discounts through the CHED website;
- (h) To monitor the extent of implementation of this Act and to coordinate with the concerned agencies regarding the imposition of penalties on violators of this Act; and

- (h) To perform such other functions as may be determined by the CHED Chairman in the implementation of this Act.

SEC. 7. Tax Incentives. – Discounts granted by establishments to underprivileged college students under this Act shall be treated as allowable deduction from the gross income in the computation of the income tax, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended.

SEC. 8. Implementing Rules and Regulations. – The CHED, in coordination with the NEDA, the Department of Social Welfare and Development (DSWD), the Department of Health (DOH), the Department of Trade and Industry (DTI), the Department of Finance (DOF), and such other agencies concerned with the establishments which may be affected by this Act, shall issue the implementing rules and regulations to carry out the objectives of this Act within thirty (30) days after this Act takes effect.

SEC. 9. Penalties. – The first violation of any provision of this Act shall cause the suspension of the license to operate or the business permit of the establishment or the person concerned for not less than one (1) week but not more than four (4) weeks and a fine of not less than Twenty thousand pesos (P20,000.00) but not more than Fifty thousand pesos (P50,000.00).

The second violation of any provision of this Act shall cause the suspension of the license to operate or the business permit of the establishment or the person concerned for not less than four (4) weeks and a fine of not less than Fifty thousand pesos (P50,000.00) but not exceeding Two hundred fifty thousand pesos (P250,000.00): Provided, however, That the procedure of notice and hearing shall have been complied with prior to the imposition of the said penalties.

If the offender is a corporation, organization or any similar entity, the official thereof directly involved shall be held liable therefor.

SEC. 10. Enforcement. – Pursuant hereto, the DTI, the DOH and the local government units (LGUs), in coordination with the CHED, are mandated to implement the provisions of this Act. After filing of an appropriate complaint, and after due notice and hearing, the proper authorities may also cause the cancellation or revocation of the business permit, permit to operate, franchise and other similar privileges granted to any business entity that fails to abide by the provisions of this Act.

SEC. 11. Separability Clause. – If any provision or part hereof is held invalid or unconstitutional, the other sections or provisions hereof shall not be affected thereby and shall remain in force and effect.

SEC. 12. Repealing Clause. – All laws, executive orders, decrees, instructions, rules and regulations contrary to or inconsistent with any provision of this Act is hereby amended, repealed or modified accordingly.

SEC. 13. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved,