

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO 1039



Introduced by HONORABLE FERDINAND MARTIN G. ROMUALDEZ

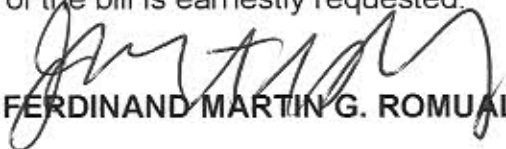
EXPLANATORY NOTE

The 1987 Philippine Constitution proclaims that the States values the dignity of every human person and guarantees full respect for human rights. It also mandates an integrated and comprehensive approach which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost with the priority for the needs of the underprivileged sick, elderly, disabled, women, and children. These provisions have inspired the enactment of laws that provide social, political and economic opportunities for disadvantaged segments of Philippine society, such as senior citizens and persons with disability (PWD).

On March 24, 1992, a law that has a very comprehensive positive bias for PWDs was approved, the Republic Act No. 7277, "Providing for the Rehabilitation, Self-development and Self-reliance of Disabled Persons." It was later amended on April 30, 2007, by Republic Act No. 9442, which, provides certain privileges and incentives to PWDs. The approval on April 6, 2010 of Republic Act 10070 mandating all local government units to adopt and establish social and structural mechanisms to serve and promote the interest, rights and welfare of PWDs, further amended RA 9442.

This bill seeks to amend Section 32 of RA 7277, as amended by RA 9442, providing that PWDs shall be exempted from Value Added Tax (VAT) in addition to the discount they are already enjoying for the classes of goods and services enumerated in RA 9442. This is an equalizing measure because this will accord PWDs exactly the same privilege enjoyed by senior citizens, who are exempted from the VAT by virtue of RA 9994. By way of example, at present senior citizens enjoy a P20.00 discount or the equivalent of 20% for every P100.00 value of good or service purchased by them. On the other hand, persons with disability effectively enjoy only P12.00 for every P100.00 worth of good or service because the law does not exempt them from VAT, which is imposed on the net value of the good or service or 10% of the P80.00 after deducting P20.00, representing the 20% discount granted in RA 9442, for every P100.00 worth of good or service purchased.

In the view of the foregoing, approval of the bill is earnestly requested.


FERDINAND MARTIN G. ROMUALDEZ

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AN ACT
EXEMPTING PERSONS WITH DISABILITY FROM THE VALUE-ADDED TAX ON
CERTAIN GOODS AND SERVICES, AMENDING FOR THE PURPOSE REPUBLIC
ACT NO. 7277, AS AMENDED, OTHERWISE KNOWN AS THE "MAGNA CARTA
FOR PERSONS WITH DISABILITY," AND FOR OTHER PURPOSES

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

SECTION 1. Section 32 of Republic Act No. 7277, otherwise known as the
"Magna Carta for Persons with Disability," as amended, is hereby amended to read
as follows:

"SEC. 32. Persons with disability shall be entitled to the following:

"(a) At least twenty percent (20%) discount **AND EXEMPTION FROM THE
VALUE-ADDED TAX (VAT), IF APPLICABLE,** from all establishments
relative to the utilization of all services in hotels and similar lodging
establishments; restaurants and recreation centers for the exclusive use or
enjoyment of persons with disability;

"(b) A minimum of twenty percent (20%) discount **AND EXEMPTION FROM
THE VALUE-ADDED TAX (VAT), IF APPLICABLE,** on admission fees
charged by the theaters, cinema house, concert halls, circuses, carnivals and
other similar places of culture, leisure and amusement for the exclusive use or
enjoyment of person with disability;

“(c) At least twenty percent (20%) discount **AND EXEMPTION FROM THE VALUE-ADDED TAX (VAT), IF APPLICABLE**, on the purchase of medicines in all drugstores for the exclusive use or enjoyment of persons with disability.

“(d) At least twenty percent (20%) discount **AND EXEMPTION FROM THE VALUE-ADDED TAX (VAT), IF APPLICABLE**, on medical and dental services including diagnostic and laboratory fees such as, but not limited to x-rays, computerized tomography scans and blood tests, in all government facilities, subject to guidelines to be issued by the Department of Health (DOH), in coordination with the Philippine Health Insurance corporation (PHILHEALTH);

“(e) At least twenty percent (20%) discount **AND EXEMPTION FROM THE VALUE-ADDED TAX (VAT), IF APPLICABLE**, on medical and dental services including diagnostic and laboratory fees, and professional fees of attending doctors in all private hospitals and medical facilities, in accordance with the rules and regulations to be issued by the DOH, in coordination with the PHILHEALTH;

“(f) At least twenty percent (20%) discount **AND EXEMPTION FROM THE VALUE-ADDED TAX (VAT), IF APPLICABLE**, in public railways, skyways and bus fare for the exclusive use and enjoyment of persons with disability;

“(h) Educational assistance to persons with disability, for them to pursue primary, secondary, tertiary, post tertiary, as well as vocational or technical education, in both public and private schools, through the provision of the scholarships, grants, financial aids, subsidies and other incentives to qualified persons with disability, including support for books, learning materials, and uniform allowance to the extent feasible: *Provided*, That persons with disability shall meet minimum admission requirements;

“(i) To the extent practicable and feasible, the continuance of the same benefits and privileges given by the Government Service Insurance System (GSIS), Social Security System (SSS), and PAG-IBIG, as the case may be, as are enjoyed by those in actual service;

"(j) To the extent possible, the government may grant special discounts in special programs for persons with disability or purchase of basic commodities, subject to guidelines to be issued for the purpose by the Department of Trade and Industry (DTI) and the Department of Agriculture (DA); and

"(k) The above-mentioned privileges are available only to persons with disability who are Filipino citizens upon submission of any of the following as proof of his/her entitlement thereto:

"(I) An identification card issued by the city or municipality mayor, the barangay captain of the place where the person with disability resides;

"(II) The passport of the persons with disability concerned; or

"(III) Transportation discount fare Identification Card (ID) issued by the National Council for the Welfare of Disabled Persons (NCWDP).

"The privileges may not be claimed if the persons with disability claims a higher discount as may be granted by the commercial establishment and/or under other existing laws or in combination with other discount program/s.

"The establishments may claim the discounts granted in sub-sections (a), (b), (e), (f) and (g) as tax deductions based on the net cost of the goods sold or services rendered: *Provided, however,* That the cost of the discount shall be allowed as deduction from the gross income for the same taxable year that the discount is granted: *Provided, further,* That the total amount of the claimed tax deduction net of value-added tax if applicable, shall be included in their gross sales receipts for tax purposes and shall be subject to proper documentation and to the provisions of the National Internal Revenue Code (NIRC), as amended."

SEC. 2. The Department of Social Welfare and Development, the National Council on Disability Affairs (NCDA), the DOH and the Bureau of Internal Revenue, in consultation with the concerned Senate and House committees and other agencies, organizations and establishments shall formulate an implementing rules and regulations pertinent to this Act within six months after its effectivity.

SEC. 3. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two newspapers general circulation in the Philippines.

Approved,