

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

H. B. No. 1496



Introduced by Congresswoman BELLAFLOR J. ANGARA-CASTILLO

EXPLANATORY NOTE

The 1987 Constitution provides that the State shall establish and maintain a system of scholarship grants, student loan programs, and provide other incentives which shall be made available to deserving students, especially to the underprivileged enrolled in both public and private higher education institutions and technical-vocational institutes.

However, not all deserving and underprivileged students who were able to get scholarships, grants or loans get to finish their education because they lack the financial capacity to spend for their basic needs or other expenses related to their schooling.

To ease the financial burden of underprivileged students and help them cope with the high cost of education and daily school expenses, this measure proposes to grant discounts on basic services, such as food, medicine and transportation. Moreover, it also seeks to give them discounts on educational expenses, such as tuition, miscellaneous and other school fees, including books and school supplies.

Considering that we now have a law giving discounts to senior citizens, it is high time that we consider the plight of our underprivileged students who are our nation's future.

In view of the foregoing reasons, immediate approval of this measure is earnestly sought.


BELLAFLOR J. ANGARA-CASTILLO
Representative
Lone District, Aurora Province

H. B. No. 1496

Introduced by Congresswoman BELLAFLOR J. ANGARA-CASTILLO

AN ACT
GRANTING DISCOUNTS ON BASIC AND EDUCATION SERVICES TO
UNDERPRIVILEGED STUDENTS IN THE POST-SECONDARY AND TERTIARY
LEVELS

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 Post-Secondary and Tertiary Students' Discount Act of 2011."

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 mean:

- (a) Underprivileged Post-Secondary and Tertiary Students refer to Filipino students enrolled in post-secondary non-degree technical-vocational (Tech-Voc) courses and those enrolled in Bachelor's Degree Programs at the college level, respectively, 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 years. These also include Filipino 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 an 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; and
- (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 Post-Secondary and Tertiary Students.* Underprivileged post-secondary and tertiary students shall be entitled to the following:

- (a) On Food Establishments. - A five percent (5%) discount shall be granted to underprivileged post-secondary and tertiary 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 post-secondary and tertiary 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 post-secondary and tertiary students by establishments anywhere in the country that sell reference books for technical-vocational education and training and 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 post-secondary and tertiary students by public and private schools accredited by the Technical Education and Skills Development Authority (TESDA) and the Commission on Higher Education, respectively, where they are enrolled in, without prejudice to their right to avail 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, "Discounts to Disabled Students" under R.A. No. 9442 or the law amending the "Magna Carta for the Disabled": *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 discounts granted to an underprivileged post-secondary or tertiary student under this Act may not be availed under the following circumstances -

1) If the tertiary student:

- a) fails for one (1) semester in the majority of the academic subjects enrolled in during the course of study, unless such failure is due to some valid cause beyond the student's control;
- b) fails to finish the course within two (2) years from the time the student should have graduated;
- c) stops schooling for one (1) semester; and
- d) is convicted of any crime.

2) If the post-secondary student:

- (a) fails in the certificate/diploma course enrolled in, unless such failure is due to some valid cause beyond the student's control;
- (b) fails to finish the short-term technical-vocational course enrolled in;
- (c) stops schooling; and
- (d) is convicted of any crime.

SEC. 6. Role of the CHED. The CHED shall determine the qualified tertiary or college beneficiaries under this Act through its Office of Student Services (OSS). The CHED Chairperson 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 tertiary 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 questions regarding the eligibility of any underprivileged college students 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
- (i) To perform such other functions as may be determined by the CHED Chairperson.

SEC. 7. Role of the TESDA. The TESDA shall be in charge of determining the qualified post-secondary tech-voc beneficiaries under this Act through its Office of Technical-Vocational Education and Training (TVET) Systems Development Office (TSDO). The TESDA Director-General shall include in the regular functions of the TSDO the following additional functions:

- a) To plan, implement and monitor 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 post-secondary 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 post-secondary students;
- d) To issue identification cards which shall be valid anywhere in the country as proof of the eligibility of the underprivileged post-secondary 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 questions regarding the eligibility of any underprivileged post-secondary students claiming the discounts through the TESDA 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
- i) To perform such other functions as may be determined by the TESDA Director-General in the implementation of this Act.

- (i) To perform such other functions as may be determined by the TESDA Director-General in the implementation of this Act.

SEC. 8. *Tax Incentives.* Discounts granted by establishments to underprivileged post-secondary and tertiary 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. 9. *Implementing Rules and Regulations.* The CHED and TESDA, 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), 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 law takes effect.

SEC. 10. *Penalties.* The first violation of any provisions of this Act shall cause the suspension of the license to operate or the business permit of the establishment or 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 provisions 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 officers thereof shall suffer the same penalty imposed on any person found violating this Act.

SEC. 11. *Enforcement.* Pursuant hereto, the DTI, DOH, and local government units (LGUs), in coordination with the CHED and TESDA, shall have the mandate 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. 12. *Separability Clause.* If any provision or part thereof is held invalid or unconstitutional, the other sections or provisions thereof shall not be affected thereby and shall remain in force and effect.

SEC. 13. *Repealing Clause.* All laws, executive orders, decrees, instructions, rules and regulations contrary to or inconsistent with any provision of this Act are hereby amended, repealed or modified accordingly.

SEC. 14. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,