

Republic of the Philippine
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 2785



INTRODUCED BY REP. ROMAN T. ROMULO

EXPLANATORY NOTE

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

However, not all underprivileged students have the opportunity to avail themselves of such financial assistance because of certain qualification requirements that have to be met. Even if they get scholarships, grants or loans, some of the underprivileged student do not always get to finish their education because of the lack of financial capability to spend even for just their basic needs or for other education-related expenses.

To ease the financial burden of underprivileged students and help them cope with the high cost of education on a day-to-day basis, this measure proposes to grant discounts on basic services, such as food, medicines and transportation. It also seeks to give them discounts on educational expenses, such as tuition, miscellaneous and other school fees and board and books and school supplies.

Moreover, the bill raises the gross annual income requirement to not more than P300,000.00 to reach out to more beneficiaries considering that those who live below the poverty line and have a lower gross annual income cannot even send their children to college. In fact, a recent study conducted by the Philippine Institute for Development Studies showed that the poor and near poor do not have the financial capability to send their children to college. The National Statistics Coordinating Board 2009 Poverty Statistics, which was released in February 2011, also revealed that only 2.8% students from families living below the poverty line (comprising 3.8 million Filipino families or 26.5 percent) managed to obtain college education and a measly .6% managed to graduate from college.

If the government was able to come up with a law giving discounts to senior citizens and disabled persons, then it is also high time that it consider the plight of underprivileged students who are the hope of the motherland.

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



ROMAN T. ROMULO
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Republic of the Philippines
HOUSE OF REPRESENTATIVES
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Sixteenth Congress
First Regular Session

HOUSE BILL NO. 2785

Introduced by Representative ROMAN T. ROMULO

AN ACT
GRANTING DISCOUNTS ON BASIC AND EDUCATIONAL SERVICES TO
UNDERPRIVILEGED STUDENTS IN HIGHER AND TECHNICAL EDUCATION

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “Underprivileged
2 Higher and Technical Education Students’ Discount Act.”
3

4 **SEC. 2. Declaration of Policy.** It is the policy of the State to prioritize quality
5 education and take appropriate steps to make such education accessible to all.
6

7 **SEC. 3. Definition of Terms.** As used in this Act, the following terms shall
8 mean:
9

10 (a) Underprivileged Higher and Technical Education Students refer to Filipino
11 students enrolled in post-secondary non-degree technical-vocational
12 courses and those enrolled in Bachelor’s Degree Programs at the college
13 level, respectively, including beneficiaries of the Conditional Cash Transfer
14 or Pantawid Pamilyang Pilipino Program (4Ps), whose parents have a gross
15 annual income of not more than Three Hundred Thousand Pesos
16 (P300,000.00), subject to review by the National Economic and
17 Development Authority (NEDA) every three years. These also include
18 Filipino students who opt to take part-time jobs to subsidize their education
19 and whose income combined with the annual gross income of their parents
20 do not exceed Three Hundred Thousand Pesos (P300,000.00), subject to
21 review by the NEDA every three (3) years;
22

23 (b) Discounts refer to an amount deducted or counted off from the cost of
24 goods under basic services and from fees to be collected on education
25 services;
26

1 (c) Basic Services refer to basic necessities such as food for snacks and
2 meals and medicines; and

3
4 (d) Educational Services refer to education-related expenditures such as
5 tuition, miscellaneous and other school fees, books and school supplies.

6
7 **SEC. 4. Discounts for Underprivileged Higher and Technical**
8 **Education Students.** Underprivileged higher and technical education students
9 shall be entitled to the following:

10
11 (a) On Food Establishments. – A five percent (5%) discount shall be granted to
12 underprivileged higher and technical education students by food
13 establishments such as food chains, canteens and restaurants anywhere in
14 the country: *Provided*, That private food establishments may claim the cost
15 as allowable tax deduction from the gross income in the computation of the
16 income tax in accordance with the provisions of the National Internal
17 Revenue Code of 1997, as amended;

18
19 (b) On Medicines. – A five percent (5%) discount shall be granted to
20 underprivileged higher and technical education students by pharmacies or
21 drug stores anywhere in the country: *Provided*, That these pharmacies or
22 drug stores may claim the cost as allowable tax deduction from the gross
23 income in the computation of the income tax in accordance with the
24 provisions of the National Internal Revenue Code of 1997, as amended;

25
26 (c) On Textbooks and School Supplies. – A five percent (5%) discount shall be
27 granted to underprivileged higher and technical education students by
28 establishments anywhere in the country that sell reference books for
29 technical-vocational education and training and college and school
30 supplies: *Provided*, That these establishments may claim the cost as
31 allowable tax deduction from the gross income in the computation of the
32 income tax in accordance with the provisions of the National Internal
33 Revenue Code of 1997, as amended; and

34
35 (d) On Tuition Fees, Miscellaneous and Other School Fees. - A five percent
36 (5%) discount shall be granted to underprivileged higher and technical
37 education students by public and private schools accredited by the
38 Technical Education and Skills Development Authority (TESDA) and the
39 Commission on Higher Education (CHED), respectively, where they are
40 enrolled in, without prejudice to their right to avail themselves of other
41 educational assistance given by the school and the government, such as
42 the "Study Now, Pay Later Plan" under Republic Act No. 6728, "Discounts
43 to Disabled Students" under R.A. No. 9442 or the law amending the "Magna
44 Carta for the Disabled": *Provided*, That the schools may claim the cost as
45 allowable tax deduction from the gross income in the computation of the
46 income tax in accordance with the provisions of the National Internal
47 Revenue Code of 1997, as amended.

1
2 **SEC. 5. Limitations.** The discounts granted to an underprivileged higher and
3 technical education student under this Act may not be availed of under the
4 following circumstances -
5

6 **1) If the higher education student:**
7

- 8 (a) fails for one (1) semester in the majority of the academic subjects enrolled
9 in during the course of study, unless such failure is due to some valid cause
10 beyond the student's control;
11 (b) fails to finish the course within two (2) years from the time the student
12 should have graduated;
13 (c) stops schooling for one (1) semester; and
14 (d) is convicted of any crime.
15

16 **2) If the technical education student:**
17

- 18 (a) fails in the certificate/diploma course enrolled in, unless such failure is due
19 to some valid cause beyond the student's control;
20 (b) fails to finish the short-term technical-vocational course enrolled in;
21 (c) stops schooling; and
22 (d) is convicted of any crime.
23

24 **SEC. 6. Role of the CHED.** The CHED shall determine the qualified tertiary or
25 college beneficiaries under this Act through its Office of Student Services
26 (OSS). The CHED Chairperson shall include in the regular functions of the
27 OSS the following additional functions:
28

- 29 (a) To plan, implement and monitor yearly work programs, evaluate and submit
30 annual reports in pursuance of the objectives of this Act;
31
32 (b) To screen applicants, receive documentary proof, and identify who are the
33 eligible underprivileged tertiary students based on the provisions of this Act;
34
35 (c) To closely coordinate with the NEDA in determining the income brackets of
36 Filipino families for the purpose of identifying underprivileged college
37 students;
38
39 (d) To issue identification cards which shall be valid anywhere in the country as
40 proof of the eligibility of the underprivileged college students to avail
41 themselves of the discounts;
42
43 (e) To maintain and regularly update, on a quarterly basis, the list of
44 underprivileged college students who avail themselves of the discounts and
45 to review, evaluate and assess their academic standing;
46 (f) To cancel the identification cards issued for those disqualified under Section
47 5 of this Act;

- 1
2 (g) To provide information to the affected establishments under Section 4 of this
3 Act for any questions regarding the eligibility of any underprivileged college
4 students claiming the discounts through the CHED website;
5
6 (h) To monitor the extent of implementation of this Act and to coordinate with
7 the concerned agencies regarding the imposition of penalties on violators of
8 this Act; and
9
10 (i) To perform such other functions as may be determined by the CHED
11 Chairperson.

12
13 **SEC. 7. Role of the TESDA.** The TESDA shall be in charge of determining the
14 qualified post-secondary tech-voc beneficiaries under this Act through its
15 Office of Technical-Vocational Education and Training (TVET) Systems
16 Development Office (TSDO). The TESDA Director-General shall include in the
17 regular functions of the TSDO the following additional functions:
18

- 19 (a) To plan, implement and monitor work programs, evaluate and submit
20 annual reports in pursuance of the objectives of this Act;
21
22 (b) To screen applicants, receive documentary proof, and identify who are the
23 eligible underprivileged post-secondary students based on the provisions of
24 this Act;
25
26 (c) To closely coordinate with the NEDA in determining the income brackets of
27 Filipino families for the purpose of identifying underprivileged post-secondary
28 students;
29
30 (d) To issue identification cards which shall be valid anywhere in the country
31 as proof of the eligibility of the underprivileged post-secondary students to
32 avail themselves of the discounts;
33
34 (e) To maintain and regularly update, on a quarterly basis, the list of
35 underprivileged college students who avail themselves of the discounts and
36 to review, evaluate and assess their academic standing;
37
38 (f) To cancel the identification cards issued for those disqualified under
39 Section 5 of this Act;
40
41 (g) To provide information to the affected establishments under Section 4 of
42 this Act for any questions regarding the eligibility of any underprivileged
43 post-secondary students claiming the discounts through the TESDA
44 website;
45
46 (h) To monitor the extent of implementation of this Act and to coordinate with
47 the concerned agencies regarding the imposition of penalties on violators

1 of this Act; and

2
3 (j) To perform such other functions as may be determined by the TESDA
4 Director-General in the implementation of this Act.

5
6 **SEC. 8. Tax Incentives.** Discounts granted by establishments to
7 underprivileged higher and technical students under this Act shall be treated as
8 allowable deduction from the gross income in the computation of the income
9 tax, in accordance with the provisions of the National Internal Revenue Code of
10 1997, as amended.

11
12 **SEC. 9. Implementing Rules and Regulations.** The CHED and TESDA, in
13 coordination with the NEDA, the Department of Social Welfare and
14 Development (DSWD), the Department of Health (DOH), the Department of
15 Trade and Industry (DTI), Department of Finance (DOF), and such other
16 agencies concerned with the establishments which may be affected by this Act,
17 shall issue the implementing rules and regulations to carry out the objectives of
18 this Act within thirty (30) days after this law takes effect.

19
20 **SEC. 10. Penalties.** The first violation of any provisions of this Act shall cause
21 the suspension of the license to operate or the business permit of the
22 establishment or person concerned for not less than one (1) week but not more
23 than four (4) weeks and a fine of not less than Twenty Thousand Pesos
24 (P20,000.00) but not more than Fifty Thousand Pesos (P50,000.00).

25
26 The second violation of any provisions of this Act shall cause the
27 suspension of the license to operate or the business permit of the
28 establishment or the person concerned for not less than four (4) weeks and a
29 fine of not less than Fifty Thousand Pesos (P50,000.00), but not exceeding Two
30 Hundred Fifty Thousand Pesos (P250,000.00): *Provided, however,* that the
31 procedure of notice and hearing shall have been complied with prior to the
32 imposition of the said penalties.

33
34 If the offender is a corporation, organization or any similar entity, the officers
35 thereof shall suffer the same penalty imposed on any person found violating
36 this Act.

37
38 **SEC. 11. Enforcement.** Pursuant hereto, the DTI, DOH, and local government
39 units (LGUs), in coordination with the CHED and TESDA, shall have the
40 mandate to implement the provisions of this Act. After filing of an appropriate
41 complaint, and after due notice and hearing, the proper authorities may also
42 cause the cancellation or revocation of the business permit, permit to operate,
43 franchise and other similar privileges granted to any business entity that fails to
44 abide by the provisions of this Act.

1 **SEC. 12. *Separability Clause.*** If any provision or part thereof is held invalid or
2 unconstitutional, the other sections or provisions thereof shall not be affected
3 thereby and shall remain in force and effect.

4
5 **SEC. 13. *Repealing Clause.*** All laws, executive orders, decrees, instructions,
6 rules and regulations contrary to or inconsistent with any provision of this Act
7 are hereby amended, repealed or modified accordingly.

8
9 **SEC. 14. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its
10 publication in the Official Gazette or in a newspaper of general circulation.

11
12 *Approved,*