

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

First Regular Session
SIXTEENTH CONGRESS

HOUSE BILL No. 3826



Introduced by: REPRESENTATIVE EMI CALIXTO-RUBIANO

Explanatory Note

Many of us consider disability as the inability of the individual to function as a normal person. However, in a study made by Handicap International, there has been a shift in the way people think about disability. From a notion of being a personal tragedy and a charity issue, it has now been considered as a rights and development issue. Disability does not only refer to the individual but also to the barriers imposed by society when it does not provide equal opportunities and due attention to the rights of individuals with impairments.

The United Nations Convention on the Rights of Persons with Disabilities (CRPD) recognizes that "disability is an evolving concept, resulting from the interaction between persons with impairments and attitudinal and environmental barriers that hinder their full and effective participation in society on an equal basis with others". In the 2004-Joint Position Paper of ILO, UNESCO and WHO, they recommended the Community-Based Rehabilitation (CBR) as a strategy for rehabilitation, equalization of opportunities, poverty reduction, and social inclusion of persons with disabilities (PWD). The CBR is used in over 90 countries and adopted in the Philippines in 2005 thru Executive Order No. 437: Encouraging the implementation of CBR in all local government units in the Philippines and allocating funds to support it. In April 2008, the Philippines ratified the CRPD, thereby accepting the legal obligation to protect and promote the rights of PWDs.

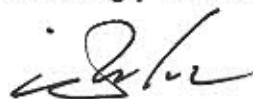
Even before the UN Convention on CRPD, the Philippine government was already cognizant of the rights and privileges of the PWD. In fact to date, three landmark legislations were already passed to ensure legal protection in their favor. This is aside from other executive issuances which also caters the needs and welfare of the PWD. First of the landmark legislation is RA 7227 (1992), otherwise known as the Magna for Disabled Persons, which provided for the rehabilitation, self-development and self reliance of the PWD and their integration in the mainstream of society. Second is RA 9442 (2007), an Act which amended RA 7277, granting additional privileges and incentives as well as prohibitions on verbal, non-verbal ridicule and vilification against

PWD. The most notable portion of the amendment under this law was the grant of at least twenty percent (20%) discount to PWDs from all establishments including hotels, restaurants and recreation centers; theater, cinema houses; purchase of medicines in all drugstores; medical and dental services; fare for domestic sea and air travel; public railways, skyways, bus fares. The third measure is RA 10070 (2010), an Act which provides for the establishment of institutional mechanisms to ensure the implementation of programs and services for PWDs by directing the setting up of Persons with Disability Affairs Offices (PDAO) in all provinces, cities and municipalities to be headed by a qualified disabled person.

With the confluences of these measures and issuances, it seems that substantially, the rights and privileges of PWDs are, in a way, sufficiently addressed already. However, taking our cue from the UN convention that disability is an evolving concept, the author deems it imperative for the government to constantly maintain a close monitoring of the conditions and welfare of the disadvantaged sectors of the Philippine society such as PWDs.

This measure seeks to further amend Section 32 of RA 7277, as amended. The aim is simply to fill-in an additional provision that PWD shall be exempt from the Value Added Tax (VAT) on top of the already existing discounts on foods and services enumerated under Section 32 of RA 9442. The measure will simply equalize the grant of privileges *vis-à-vis* that of the senior citizens, who were granted the same exemption by virtue of Republic Act No. 9994. This measure is the author's humble initiative of responding into the universal challenge to protect the rights and welfare of the PWD.

In view of the foregoing, approval of this bill is strongly recommended.



EMI CALIXTO-RUBIANO
Representative
Lone District of Pasay City

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Introduced by: **REPRESENTATIVE EMI CALIXTO-RUBIANO**

**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 "MAGNA CARTA FOR PERSONS WITH DISABILITY",
AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and the 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 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 on admission fees
charged by theaters, cinema house, concert halls, circuses, carnivals and
other similar places of culture, leisure and amusement for the exclusive
use or enjoyment of persons with disability;

(c) At least twenty percent (20%) discount 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 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 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 on fare for domestic air and sea travel for the exclusive use or enjoyment of persons with disability;

(g) At least twenty percent (20%) discount in public railways, skyways and bus fare for the exclusive use and enjoyment of persons with disability;

(h) EXEMPTION FROM THE VALUE ADDED TAX (VAT) OF ALL THE ITEMS AND SERVICES ENUMERATED UNDER PAR. (a) to (g) ABOVE-CITED. PROVIDED, HOWEVER, THAT THOSE ITEMS AND SERVICES ARE COVERED AS ALLOWABLE EXEMPTIONS UNDER REPUBLIC ACT NO. 7716;

(i) 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 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 standard requirements;

(j) 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;

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

(l) Provision for express lanes for persons with disability in all commercial and government establishments; in the absence thereof, priority shall be given to them.

The abovementioned 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 municipal mayor or the barangay captain of the place where the person with disability resides;
- (II) The passport of the person with disability concerned; or
- (III) Transportation discount fare Identification Card (ID) issued by the National Council for the Welfare of Disabled Persons (NCWPD).

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 existing laws or in combination with the other discount program/s.

The establishment may claim the discounts granted in sub-sections (a), (b), (c), (d), (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 gross income for the same taxable year that the discount is granted: *Provided, further,* That the total number 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. Implementing Rules. - The Department of Finance (DOF), Bureau of Internal Revenue (BIR), the Department of Social Welfare and Development (DSWD) and the National Council on Disability Affairs shall meet and promulgate the implementing rules and regulations pertinent to this Act within thirty (30) days from the effectivity of this Act.

Sec. 3. Repealing Clause.- All laws, rules and regulations that may be inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

Sec. 4. Separability Clause.- If any of the provisions of this Act is declared invalid or unconstitutional, all other provisions not affected thereby shall remain in force and effect.

Sec. 5. Effectivity. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved.