

Republic of the Philippine
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Second Regular Session

H.B. No. 5004



INTRODUCED BY REPRESENTATIVE 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 and medicine. 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. 5004

INTRODUCED BY REPRESENTATIVE BELLAFLOR J. ANGARA-CASTILLO

AN ACT GRANTING DISCOUNTS ON BASIC AND EDUCATION SERVICES TO UNDERPRIVILEGED STUDENTS IN ALL LEVELS, INCLUDING THOSE ENROLLED IN TECHNICAL-VOCATIONAL (TECH-VOC) INSTITUTIONS

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 Students’ Discount Act of 2014.”

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 Student* refer to a Filipino student enrolled in basic education, post-secondary non-degree technical-vocational (Tech-Voc) courses, and those enrolled in Bachelor's Degree Programs at the college level, whose parents have a gross annual income of not more than One Hundred Fifty Thousand Pesos (P150,000.00), subject to review by the National Economic and Development Authority (NEDA) every three years; provided that a Filipino student who opts to take part-time jobs to subsidize the student’s education and whose income combined with the annual gross income of the student’s parents do not exceed One Hundred Fifty Thousand Pesos (P150,000.00), subject to review by the NEDA every three (3) years, is deemed an Underprivileged Student;
- (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 Students. Underprivileged students shall be entitled to the following:

- (a) *On Food Establishments.* – A five percent (5%) discount shall be granted to underprivileged 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

1 computation of the income tax in accordance with the provisions of the National
2 Internal Revenue Code of 1997, as amended;

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4 (b) On Medicines. – A five percent (5%) discount shall be granted to underprivileged
5 students by pharmacies or drug stores anywhere in the country: *Provided*, That
6 these pharmacies or drug stores may claim the cost as allowable tax deduction from
7 the gross income in the computation of the income tax in accordance with the
8 provisions of the National Internal Revenue Code (NIRC) of 1997, as amended;

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10 (c) On Textbooks and School Supplies. – A five percent (5%) discount shall be granted
11 to underprivileged students by establishments anywhere in the country that sell
12 reference books and school supplies: *Provided*, That these establishments may
13 claim the cost as allowable tax deduction from the gross income in the computation
14 of the income tax in accordance with the provisions of the NIRC of 1997, as
15 amended; and

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17 (d) On Tuition Fees, Miscellaneous and Other School Fees. - A five percent (5%)
18 discount shall be granted to underprivileged students by public and private schools
19 where they are enrolled in, without prejudice to their right to avail themselves of
20 other educational assistance given by the school and the government, such as the
21 "Study Now, Pay Later Plan" under Republic Act No. 6728, "Discounts to Disabled
22 Students" under R.A. No. 9442 or the law amending the "Magna Carta for the
23 Disabled": *Provided*, That the schools may claim the cost as allowable tax deduction
24 from the gross income in the computation of the income tax in accordance with the
25 provisions of the NIRC of 1997, as amended.

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27 (e) On Museums, Theaters and Cultural Events - A five percent (5%) discount shall be
28 granted to underprivileged students on entrance fees to museums, theaters, and
29 cultural events sanctioned by the National Commission on Culture and Arts
30 anywhere in the country: *Provided*, That private museums, theaters and producers
31 of cultural events may claim the cost as allowable tax deduction from the gross
32 income in the computation of the income tax in accordance with the provisions of
33 the NIRC of 1997, as amended;

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36 **SEC. 5. Limitations.** The DepEd, TESDA and CHED may identify grounds for
37 disqualification of students in availing the aforementioned discounts, in accordance
38 with the implementing rules and regulations of this Act. *Provided*, that these grounds
39 will not defeat the purpose of liberally granting such discounts to underprivileged
40 students.

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43 **SEC. 6. Roles of the DepEd and CHED.** Qualified primary and secondary students, and
44 tertiary or college beneficiaries, shall be determined by the Department of Education
45 (DepEd) and the Commission on Higher Education (CHED), respectively. Both agencies
46 shall have the following functions:

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48 (a) To plan, implement and monitor yearly work programs, evaluate and submit
49 annual reports in pursuance to the objectives of this Act;

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51 (b) To screen applicants, receive documentary proof, and identify who are the eligible
52 underprivileged primary, secondary and college students based on the provisions of
53 this Act;

- (c) To closely coordinate with the NEDA in determining the income brackets of Filipino families for the purpose of identifying underprivileged primary, secondary and college students, respectively;
- (d) To issue identification cards which shall be valid anywhere in the country as proof of the eligibility of the underprivileged primary, secondary and college students to avail themselves of the discounts;
- (e) To maintain and regularly update, on a quarterly basis, the list of underprivileged primary, secondary and college students who avail themselves of the discounts;
- (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 primary, secondary and college students claiming the discounts through the DepEd and CHED websites, respectively;
- (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 DepEd Secretary and 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
 - a. 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
 - a. as proof of the eligibility of the underprivileged post-secondary students to
 - b. avail themselves of the discounts;
- (e) To maintain and regularly update, on a quarterly basis, the list of underprivileged post secondary 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.

SEC. 8. Tax Incentives. Discounts granted by establishments to underprivileged 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 DepEd, 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 DepEd, 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.