

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7269



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

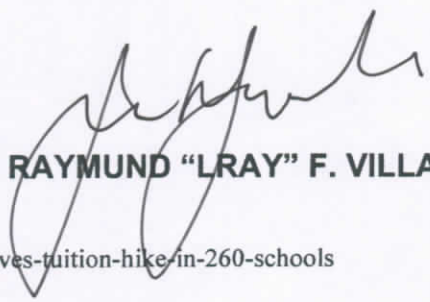
EXPLANATORY NOTE

The recent enactment of the Tax Reform Law effected change as soon as the new year rolled around. This meant an increase in tax for certain goods and services. Non-income earners, such as students, are pressed to shoulder this weight on their finances. Easing the financial burden on services such as public transport ensures that our youth are cared for and given the assistance they need.

Government has strengthened this support for the students through the issuance of Memorandum Circular No. 2017-024 by the Land Transportation Franchising and Regulatory Board. This granted a twenty percent (20%) discount for student fares in public transportation, including during weekends, summer breaks and holidays. The Senate has recognized this need and has approved on committee level Senate Bill 1597, which seeks to expand the coverage of the 20 percent student fare discount to include air, water and rail transport.

This bill intends to institutionalize the discount given to students and intends to take the direction of the Senate to expand this coverage to air domestic and international travel, as well as water and rail transport. With price increasing for goods and services this year, and school tuition fees hiking for higher education¹, a reduction in payment for transport services would be a weight off the shoulders for the youth.

The approval of this bill is earnestly sought.


LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

¹ <http://news.abs-cbn.com/news/05/29/17/ched-approves-tuition-hike-in-260-schools>

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Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

AN ACT
INSTITUTIONALIZING THE GRANT OF STUDENT FARE DISCOUNT
PRIVILEGES ON PUBLIC TRANSPORTATION AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* – This Act shall also be known as the "Student Fare Discount Act."

SECTION 2. *Declaration of Policy.* – Pursuant to Article XIV, Section 1 of the Constitution, "The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all." In addition, Paragraph 3, Section 2 thereof directs the State to establish and maintain a system of scholarship grants, student loan programs, subsidies, and other incentives which shall be available to deserving students in both public and private schools, especially to the underprivileged.

SECTION 3. *Purpose.* – Consistent with these Constitutional mandates, this Act aims to:

- a) Establish a mechanism that ensures the mandatory grant of fare discount privilege to students;

- b) Enlist the cooperation and support of transportation utility owners to extend assistance to students as a social responsibility through the observance of this grant; and
- c) Encourage students, especially the poor and underprivileged, to pursue quality education to secure their future and make them responsible citizens.

SECTION 4. *Definition of Terms.* – For purposes of this Act:

- a) “Student” refers to any Filipino citizen currently enrolled in duly authorized basic and tertiary education institutions, including technical-vocational schools. Specifically excluded are those enrolled in dancing and driving schools, short term courses of seminar type, and post-graduate studies (those taking up medicine, law, masteral, doctoral degrees; and the like); and
- b) “Transportation utilities” refers to both public and private companies engaged in the conveyance of passengers, either by land, water or air, or rail for a fixed rate of fees, excluding school transport service providers.

SECTION 5. *Coverage.* – This Act shall cover all Filipino students, except those specifically excluded in Section 4 hereof, engaging the services of transportation utilities. Land transport includes, but not limited to, public utility buses (PUBs), public utility jeepneys (PUJs), taxis, tricycles, Transport Network Vehicle Services (TNVS), Transport Network Companies (TNCs), shuttle services, and public and private railways, such as the Light Rail Transit (LRT), Mass Rail Transit (MRT), and Philippine National Railways (PNR).

The fare discount and other privileges under this Act shall be available for the entire period the student is enrolled, including weekends and holidays. In the event of a promotional fare discount, the student may avail of the promotional discount or the discount provided herein.

SECTION 6. *Privilege of Students Involving Domestic Travel.* – The students under this Act shall be entitled to a grant of twenty percent (20%) discount on regular fares, upon presentation of their duly issued school Identification Cards (IDs) or current validated enrollment forms supported by other documents to properly establish

identity, subject to an appropriate verification mechanism to be provided in the Implementing Rules and Regulations (IRR): Provided, That in the case of air transportation utilities, the discount shall only apply to the base fare or the price of the ticket before taxes and costs for ancillary services.

SECTION 7. *Privilege of Students Involving International Travel.* – All laws to the contrary notwithstanding, Filipino students who will travel abroad for education, training, and competition shall be exempt from the payment of travel tax upon proper showing of proof or documentation of intended purpose.

SECTION 8. *Prohibitions on Availment of Double Discounts.* – The privileges mentioned in this Act shall not be claimed if the student claims a higher discount as may be granted by the transportation utility or under other existing laws or in combination with other discount programs.

SECTION 9. *Tax Deduction.* – The transportation utility may claim the discounts granted herein as tax deduction based on the cost of the services rendered: Provided, 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 amount of the claimed tax deduction net of VAT, 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.

SECTION 10. *Filing of Complaints.* – Students who are refused from availing of the privileges under this Act may file their complaints with the following proper authorities:

- a) The Land Transportation Franchising and Regulatory Board (LTFRB) for land transportation utilities;
- b) The Maritime Industry Authority (MARINA) for sea/water transportation utilities;
- c) The Civil Aeronautics Board (CAB) for air transportation utilities;
- d) The Legal Service of the Department of Transportation (DOTr) for rail transportation utilities, including the Light Rail Transit (LRT), Metro Rail Transit (MRT) and Philippine National Railways (PNR); and
- e) Local government units concerned for tricycles.

All complaints disposed of by such regulatory agency may be brought to the Office of the Secretary of the DOTr for review.

SECTION 11. Penalties. – After due investigation and finding the complaint against any transportation utility to be true and valid, the following penalties shall be imposed as herein specified:

a) For Land Transportation Utilities –

- a. First Offense – a fine of five thousand pesos (P5,000.00);
- b. Second Offense – a fine of ten thousand pesos (P10,000.00) and impounding of unit for thirty (30) day;
- c. Third and Subsequent Offenses – a fine of fifteen thousand pesos (P15,000.00) and cancellation of Certificate of Public Convenience (CPC) for the third and subsequent offenses.

b) For Water Transportation Utilities –

- a. First Offense – a fine ranging from ten thousand pesos (P10,000.00) to fifty thousand pesos (P50,000.00) and warning;
- b. Second Offense – a fine ranging from twenty thousand pesos (P20,000.00) to sixty thousand pesos (P60,000.00) and suspension of operation of the ship for a period not exceeding thirty (30) days;
- c. Third and Subsequent Offenses – a fine ranging from thirty thousand pesos (P30,000.00) to seventy thousand pesos (P70,000.00) and suspension of operation of the ship;

Provided, That the imposition of the ranges of penalties under this subparagraph shall be based on the ship's volume in gross tonnage.

c) For Air Transportation Utilities –

- a. First Offense – a fine ranging from fifty thousand pesos (P50,000.00) to one hundred thousand pesos (P100,000.00);
- b. Second Offense – a fine ranging from one hundred thousand pesos (P100,000.00) to one hundred fifty thousand pesos (P150,000.00) and a warning;

- c. Third and Subsequent Offenses – a fine ranging from one hundred fifty thousand pesos (P150,000.00) to two hundred thousand pesos (P200,000.00) and other sanctions as may be determined by CAB.
- d) For Rail Transportation Utilities – All rail transportation utilities are mandated to observe the aforesaid fare discount privilege and designate a student/senior citizen fare booth in their boarding stations. Violations thereof shall be sanctioned or fined under the existing Civil Service Rules. For private railways, the amount of fines prescribed under sub-paragraph (b) of this Section shall apply, to be imposed by the DOTr.

Upon filing of an appropriate complaint, and after due notice and hearing, the proper authorities in subparagraphs (b), (c), and (d), with respect to private railways, of this Section may also cause the cancellation or revocation of CPC, permit to operate, franchise, licenses and other privileges granted to the transportation utilities who fail to comply with the provisions of this Act.

SECTION 12. *Use of Falsified Identification Documents and Misrepresentation.*

– Any person who avails or attempts to avail of the privileges under this Act through the use of falsified identification documents, fraud or any form of misrepresentation shall be denied said privileges and may be subject to civil and penal liabilities prescribed by law.

SECTION 13. *Implementing Rules and Regulations.* – The Department of Transportation (DOTr) and its attached agencies, in consultation with LTFRB, MARINA, and CAB, and the Department of Finance, shall promulgate, within one hundred twenty (120) days upon approval of this Act, the necessary rules and regulations for the effective implementation of the provisions of this Act: Provided, That the failure of the concerned agencies to promulgate the said rules and regulations shall not prevent the implementation of this Act upon its effectivity.

SECTION 14. *Repealing Clause.* – All provisions of laws, decrees, orders, including rules and regulations inconsistent herewith are hereby repealed or modified accordingly.

SECTION 15. *Separability Clause.* – If any portion or provision of this Act is declared invalid or unconstitutional, the remainder of this Act or any provisions not affected thereby shall remain in full force and in effect.

SECTION 16. *Effectivity Clause.* – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,