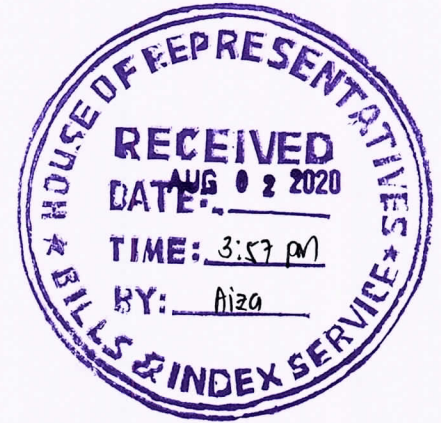


REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 7224



Introduced by **HON. KRISTINE ALEXIE B. TUTOR**
Third District, Bohol

EXPLANATORY NOTE

The government has initiated various programs and systems that would provide scholarship grants, student loans, and other incentives to deserving students especially the underprivileged as provided by the Constitution mandating the State to protect and promote the rights of every Filipino in accessing quality education.

Republic Act No. 10931 or the Universal Access to Quality Tertiary Education was enacted in 2016 which seeks to further promote accessibility to the quality higher education. However, even with RA 10931 in place as well as countless other systems of scholarships and loans, many underprivileged students still fail to earn a degree or finish basic education due to lack of financial capacity to spend for their other needs such as transportation, school supplies, and other, forcing them to drop out from school.

The continuing spread of COVID-19 poses additional challenges to our students as new measures to cope with the virus were instituted in education and learning. The government has pushed for the conduct of online/ distance learning in our education system. This shift to online education will cause further financial burden to our underprivileged students who now need to provide electronic devices and internet connection to continue with their studies.

To ease the financial burden of underprivileged students and help them cope with the high cost of education as well as 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 purchase of books, school supplies and electronics for purposes of participating in online/distance learning. In turn, the discounts granted by establishments to underprivileged students shall be treated as allowable deduction from their gross income.

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


REP. KRISTINE ALEXIE B. TUTOR

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House Bill No. 7224

Introduced by **HON. KRISTINE ALEXIE B. TUTOR**
Third District, Bohol

AN ACT
GRANTING FIVE PERCENT (5%) DISCOUNT 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:

1 **Section 1. Short Title.** – This Act shall be known as the "*Underprivileged Students'*
2 *Discount Act of 2020.*"

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 mean:

8 (a) *Underprivileged Student* refers to a Filipino student enrolled in basic education,
9 post-secondary non-degree technical-vocational (Tech-Voc) courses, and those enrolled
10 in bachelor's Degree Programs at the college level, whose parents have a gross annual
11 income of not more than Two Hundred Fifty Thousand Pesos (P250,000.00), subject to
12 review by the National Economic and Development Authority (NEDA) every three years:
13 *Provided, That* a Filipino student who opts to take part-time jobs to subsidize the
14 student's education and whose income combined with the annual gross income of the
15 student's parents do not exceed Two Hundred Fifty Thousand Pesos (P250,000.00),
16 subject to review by the NEDA every three (3) years, is deemed an Underprivileged
17 Student;

18 (b) *Discounts* refer to an amount deducted or counted off from the cost of goods under
19 basic services and from fees to be collected on education services;

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

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

5
6 **Sec. 4. Discounts for Underprivileged Students.** – Underprivileged students shall be
7 entitled to the following:

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

14 (b) On Medicines - A five percent (5%) discount shall be granted to underprivileged
15 students by pharmacies or drug stores anywhere in the country: *Provided*, That
16 these pharmacies or drug stores may claim the cost as allowable tax deduction
17 from the gross income in the computation of the income tax in accordance with
18 the provisions of the NIRC of 1997, as amended;

19 (c) On Textbooks and School Supplies - A five percent (5%) discount shall be granted
20 to underprivileged students by establishments anywhere in the country that sell
21 reference books and school supplies: *Provided*, That these establishments may
22 claim the cost as allowable tax deduction from the gross income in the
23 computation of the income tax in accordance with the provisions of the NIRC of
24 1997, as amended;

25 (d) On Prescribed Electronic Devices for purposes of Online/Distance Learning - A
26 five percent (5%) discount shall be granted to underprivileged students by
27 establishments anywhere in the country that sell electronic devices including but
28 not limited to computers, tablets and other electronic devices which may
29 hereinafter be prescribed: *Provided*, That these establishments may claim the
30 cost as allowable tax deduction from the gross income in the computation of the
31 income tax in accordance with the provisions of the NIRC of 1997, as amended;
32 and

1 (e) On Tuition Fees, Miscellaneous, and Other School Fees - A five percent (5%)
2 discount shall be granted to underprivileged students by public and private
3 schools where they are enrolled in, without prejudice to their right to avail
4 themselves of other educational assistance given by the school and the
5 government, such as those provided under Republic Act No. 6728, as amended by
6 Republic Act No. 8545 or the "Government Assistance to Students and Teachers
7 in Private Education (EGASTPE)", Republic Act No. 9442 or the law amending the
8 "Magna Carta for the Disabled", Republic Act No. 10687 or the "Unified Student
9 Financial Assistance System for Tertiary Education (UniFAST)", and Republic Act
10 No. 10931 or the "Universal Access to Quality Tertiary Education (UAQTE) Act":
11 *Provided*, That the schools may claim the cost as allowable tax deduction from the
12 gross income in the computation of the income tax in accordance with the
13 provisions of the NIRC of 1997, as amended.

14 (f) On Museums, Theaters, and Cultural Events - A five percent (5%) discount shall
15 be granted to underprivileged students on entrance fees to museums, theaters,
16 and cultural events sanctioned by the National Commission on Culture and Arts
17 anywhere in the country: *Provided*, That private museums, theaters and
18 producers of cultural events may claim the cost as allowable tax deduction from
19 the gross income in the computation of the income tax in accordance with the
20 provisions of the NIRC of 1997, as amended.

21
22 **Sec. 5. Limitations.** – The Department of Education (DepEd), Technical Education and
23 Skills Development Authority (TESDA), and Commission on Higher Education (CHED)
24 may identify grounds for disqualification of students in availing the aforementioned
25 discounts, in accordance with the implementing rules and regulations of this Act:
26 *Provided*, That these grounds will not defeat the purpose of liberally granting such
27 discounts to underprivileged students.

28
29 **Sec. 6. Roles of DepEd and CHED.** – Qualified primary and secondary students, and
30 tertiary or college beneficiaries, shall be determined by DepEd and CHED, respectively.
31 These agencies shall have the following functions:

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

- (b) To screen applicants, receive documentary proof, and identify who are the eligible underprivileged primary, secondary and college 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 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 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;

- 1 (c) To closely coordinate with the NEDA in determining the income brackets of
2 Filipino families for the purpose of identifying underprivileged post-secondary
3 students;
- 4 (d) To issue identification cards which shall be valid anywhere in the country as proof
5 of the eligibility of the underprivileged post-secondary students to avail
6 themselves of the discounts;
- 7 (e) To maintain and regularly update, on a quarterly basis, the list of underprivileged
8 post-secondary students who avail themselves of the discounts and to review,
9 evaluate and assess their academic standing;
- 10 (f) To cancel the identification cards issued for those disqualified under Section 5 of
11 this Act;
- 12 (g) To provide information to the affected establishments under Section 4 of this Act
13 for any questions regarding the eligibility of any underprivileged post-secondary
14 students claiming the discounts through the TESDA website;
- 15 (h) To monitor the extent of implementation of this Act and to coordinate with the
16 concerned agencies regarding the imposition of penalties on violators of this Act;
17 and
- 18 (i) To perform such other functions as may be determined by the TESDA Director-
19 General in the implementation of this Act.
- 20

21 **Sec. 8. Tax Incentives.** – Discounts granted by establishments to underprivileged
22 students under this Act shall be treated as allowable deduction from the gross income in
23 the computation of the income tax, in accordance with the provisions of NIRC of 1997, as
24 amended.

25

26 **Sec. 9. Implementing Rules and Regulations.** – The DepEd, TESDA, and CHED, in
27 coordination with the NEDA, the Department of Social Welfare and Development
28 (DSWD), the Department of Health (DOH), the Department of Trade and Industry (DTI),
29 Department of Finance (DOF), and such other agencies concerned with the
30 establishments which may be affected by this Act, shall issue the implementing rules and
31 regulations to carry out the objectives of this Act within thirty (30) days after this law
32 takes effect.

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

6 The second violation of any provisions of this Act shall cause the suspension of the
7 license to operate or the business permit of the establishment or the person concerned
8 for not less than four (4) weeks and a fine of not less than Fifty Thousand Pesos
9 (P50,000.00), but not exceeding Two Hundred Fifty Thousand Pesos (P250,000.00):
10 *Provided, however, That the procedure of notice and hearing shall have been complied*
11 *with prior to the imposition of the said penalties.*

12 If the offender is a corporation, organization or any similar entity, the officers
13 thereof shall suffer the same penalty imposed on any person found violating this Act.
14

15 **Sec. 11. Enforcement.** – Pursuant hereto, the DepEd, DTI, DOH, and local government
16 units (LGUs), in coordination with the CHED and TESDA, shall have the mandate to
17 implement the provisions of this Act. After filing of an appropriate complaint, and after
18 due notice and hearing, the proper authorities may also cause the cancellation or
19 revocation of the business permit, permit to operate, franchise and other similar
20 privileges granted to any business entity that fails to abide by the provisions of this Act.
21

22 **Sec. 12. Separability Clause.** – If any provision or part thereof is held invalid or
23 unconstitutional, the other sections or provisions thereof shall not be affected thereby
24 and shall remain in force and effect.
25

26 **Sec. 13. Repealing Clause.** – All laws, executive orders, decrees, instructions, rules
27 and regulations contrary to or inconsistent with any provision of this Act are hereby
28 amended, repealed or modified accordingly.
29

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

Approved,