

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Constitution Hills, Quezon City

**NINETEENTH CONGRESS**  
First Regular Session



**HOUSE BILL NO. -1209**

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**Introduced by REP. FAUSTINO 'INNO' A. DY V**

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**EXPLANATORY NOTE**

According to the Philippine Statistics Authority, poverty incidence among Filipino families for the first semester of 2021 was estimated at 18 percent which is equivalent to around 4.74 million poor families. These families live below the poverty threshold<sup>1</sup> or the minimum income required for a family to meet the basic food and non-food needs.<sup>2</sup> For these poor families, eating three times a day is already a struggle — making sending their children to school a luxury when it is actually a right.

The Universal Access to Tertiary Education Act helped equalize access to tertiary education by institutionalizing free tuition in state-owned colleges and universities.

But tuition fees are not the only expenses that students and their parents must shoulder. They will also need to pay for food, medicine, and books — the costs of which the poorest Filipino families may struggle to meet. Hence, this measure, which seeks to help the poorest Filipinos go to school.

This proposed measure hopes to achieve its goal through two means:

**FIRST.** By providing underprivileged students a discount of 5% when they buy books, medicine, and food, which discounts may be claimed by establishments as tax deductions; and

**SECOND.** By providing means by which government agencies can implement the provisions of this proposed measure.

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<sup>1</sup> P12,082 on average per month for a Filipino family with five (5) members

<sup>2</sup> <https://psa.gov.ph/poverty-press-releases/nid/165535>

“Education is the key to ending poverty” because it is through education that the poorest Filipinos could unlock for themselves a better future.

In view of the foregoing, the passage of this bill in the 19<sup>th</sup> Congress is earnestly sought.



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**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 2022."

**SECTION 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.

**SECTION 3. *Definition of Terms.*** – As used in this Act, the following terms shall mean:

- (a) *Underprivileged Student* refers 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.

**SECTION 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 computation of the income tax in accordance with the provisions of the National Internal Revenue Code (NIRC) of 1997, as amended;
- (b) **On Medicines** - A five percent (5%) discount shall be granted to underprivileged students by pharmacies or drug stores anywhere in the country: *Provided*, That these pharmacies or drug stores may claim the cost as allowable tax deduction from the gross income in the computation of the income tax in accordance with the provisions of the NIRC of 1997, as amended;
- (c) **On Textbooks and School Supplies** - A five percent (5%) discount shall be granted to underprivileged students by establishments anywhere in the country that sell reference books and school supplies: *Provided*, That these establishments may claim the cost as allowable tax deduction from the gross income in the computation of the income tax in accordance with the provisions of the NIRC of 1997, as amended; and
- (d) **On Tuition Fees, Miscellaneous, and Other School Fees** - A five percent (5%) discount shall be granted to underprivileged students by public and private schools where they are enrolled in, without prejudice to their right to avail themselves of other educational assistance given by the school and the government, such as those provided under Republic Act No. 6728, as amended by Republic Act No. 8545 or the “Government Assistance to Students and Teachers in Private Education (EGASTPE)”, Republic Act No. 9442 or the law amending the “Magna Carta for the Disabled”, Republic Act No. 10687 or the “Unified Student Financial Assistance System for Tertiary Education (UniFAST)”, and Republic Act No. 10931 or the “Universal Access to Quality Tertiary Education (UAQTE) Act”: *Provided*, That the schools may claim the

cost as allowable tax deduction from the gross income in the computation of the income tax in accordance with the provisions of the NIRC of 1997, as amended.

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

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

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

- (a) To plan, implement, and monitor yearly work programs, evaluate and submit 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.

**SECTION 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;
- (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 as proof of the eligibility of the underprivileged post-secondary students to 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.

**SECTION 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 NIRC of 1997, as amended.

**SECTION 9. *Implementing Rules and Regulations.*** – The DepEd, TESDA, and CHED, 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.

**SECTION 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.

**SECTION 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.

**SECTION 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.

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

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

Approved,