



Republic of the Philippines  
House of Representatives  
Quezon City, Metro Manila



**Twentieth Congress**

**First Regular Session**

**House Bill No. 2553**

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Introduced by

**HON. REPRESENTATIVE LAARNI LAVIN ROQUE**  
**4<sup>TH</sup> DISTRICT, BUKIDNON**

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### **EXPLANATORY NOTE**

The 1987 Philippine Constitution in Section 13 of Article II mandates that:

"The State recognizes the vital role of the youth in nation-building and shall promote and protect their physical, moral, spiritual, intellectual, and social well-being. It shall inculcate in the youth patriotism and nationalism and encourage their involvement in public and civic affairs."

According to the latest Department of Education (DepEd) report, 50% of the population, or roughly 55 million Filipinos, are individuals and youth (0-24 yrs.) The SPED Division of the Department of Education estimates that 13% of individuals and youth population in the country, or around 7.15 million, have special needs; 2% are gifted while 10% are those with disabilities.

Individuals and youth with special needs (IYSNs) continue to experience barriers to access basic social services. This is compounded by poverty, lack of data, weak governance and discriminatory attitudes related to disability in general. They are less likely to attend school, access medical services, or have their voices heard in society. Their disabilities also place them at a higher risk of physical abuse and discrimination, and often exclude

them from receiving proper nutrition or humanitarian assistance in emergencies.

It is high time that State pays close attention and address the needs of our IYSNs, as well as take the necessary steps to help to make them productive citizens.

To this end, various laws have been enacted in order to uplift the lives and advance the interests of differently abled persons. However, we often overlook the fact that equal recognition must also be given to the parents of these differently abled persons who have to put in extra effort in raising their children because of these individuals' special needs. It is for this reason that this bill seeks to provide tax deductions to the parents and legal guardians of individuals with special needs.

Given the above premises, the urgent passage of this bill is earnestly sought.

  
**HON. LAARNI LAVIN ROQUE**  
**4<sup>TH</sup> DISTRICT, BUKIDNON**



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**AN ACT**  
**GRANTING TAX DEDUCTIONS TO PARENTS AND LEGAL GUARDIANS**  
**OF INDIVIDUALS WITH SPECIAL NEEDS**

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

**SECTION 1.** Declaration of Policy. -The State promotes and protect the youth's physical, moral, spiritual, intellectual and social well-being in recognition of their vital role in nation-building. The State also recognizes that individuals and youth with disabilities, despite their disabilities and impairments, may contribute to society but only with the timely assistance and intervention of the State. Further, the State shall promote and maintain equality of access to education and medical care as well as the enjoyment of benefits of education by all its citizens.

**SEC. 2.** Definition. - For the purposes of this Act, these terms are defined as follows:

- A. Individuals with special needs (ISNs) refer to those persons below eighteen (18) years old and who are mentally gifted or are fast learners; and those who are disabled, impaired and handicapped and in need of

special education as well as services for rehabilitation. They differ from the average individuals in mental characteristics, sensory abilities, neuro-muscular or physical characteristics, social attributes, to such an extent that requires the use of modified school practices or special education services to develop them to maximum capability.

They may be classified as follows:

1. *Gifted individuals and fast learners* are those capable of superior performance including those with demonstrated achievement or potential ability in one or more of the following areas: general intellectual ability, specific academic aptitude, creative or productive thinking ability, leadership ability, ability in the performing arts and psychomotor ability, or those individuals who consistently manifest the following cluster of traits: above average ability (including intelligence), high creativity (implies the developmental appreciation of innovative ideas) and high task commitment (related to a high degree of motivation) and those who by reason thereof, require services or activities not ordinarily provided by the school;
2. *Individuals with mental retardation / intellectual disability* are those who have substantial limitation in present functioning characterized by significant sub-average intellectual functioning, existing concurrently with the related limitations in two or more of the applicable adaptive skill areas; communication, self-care, home living, social skills, community use, self-direction, health and safety, functional academics, leisure and work;
3. *Individuals with visual impairment* are those who are blind or having a low vision. Persons are blind if they have a visual capacity of 20/200 or less in a better eye after maximum correction. The low vision persons retain a relatively low degree of vision and can read only enlarged print or regular print under special conditions;
4. *Individuals with hearing impairment* are those who are deaf or of hard-of-hearing. The deaf persons are one whose hearing are non-functional for ordinary purpose in life. The hard-of-hearing have a defective sense of hearing that is functional without a hearing aid;
5. *Individuals with behavior problems* are those who cannot adjust to the socially accepted norms or behavior and, consequently disrupt their academic progress, in the learning efforts of their classmates and interpersonal relations;

6. *Individuals with orthopedic/physical handicap* are those whose impairment permanently or temporarily interferes with the normal functions of the joints, muscles or limbs;
7. *Individuals with special health problems* are those who have health conditions that tend to keep these individuals out-of-school or those with chronic and/or debilitating illnesses such as cardiac (heart) diseases, asthma, diabetes, tuberculosis and other respiratory ailments, carcinoma, epilepsy, malnutrition and others;
8. *Individuals with learning disabilities* are those who, although normal in sensory, emotional and intellectual abilities, exhibit disorders in perception, listening, thinking, reading, writing, spelling or arithmetic. They have such condition as perceptual handicaps, brain injury, minimal brain dysfunction, dyslexia and developmental aphasia;
9. *Individuals with speech defects* are those whose speech differs from the average so far as to draw unfavorable attention to the manner of speaking rather than to the thought conveyed, which include communication disorders such as stuttering, impaired articulation, language impairment, or a voice impairment that adversely affects an individual's educational performance;
10. *Individuals with autism* are those with developmental disabilities, the onset of which occurs before 30 months of age, which is marked by disturbance in development, language and relationship with persons, activities and objects and which may coexist with intellectual disability and epilepsy. Individuals afflicted with this disorder have perceptual cognitive communication and social difficulties which change over time;
11. *Individuals with multi-handicaps* are those with more than one disability such as the deaf-blind or those diagnosed with autism and intellectual disability.
12. *Individuals with specific learning disability* - A disorder in one or more of the basic physiological processes involved in understanding or in using language, spoken or written, which may manifest itself in the imperfect ability to listen/ think/speak/read, write, spell or do mathematical calculations. Such term includes conditions such as perceptual disabilities, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia.

13. *Individuals with Traumatic Brain Injury* - An acquired injury to the brain caused by an external physical force, resulting in total or partial functional disability or psychosocial impairment or both, and that adversely affects a child's educational performance. The term applies to open or closed head injuries resulting in impairments in one or more areas, such as cognition, language, memory, attention, reasoning, abstract thinking, judgment, problem solving, sensory, perceptual and motor abilities, psychosocial behavior physical functions, information processing, and speech. The term does not apply to brain injuries that are congenital or degenerative or to brain injuries induced by birth trauma.

- B. Youth with special needs (YSNs) refer to those persons between eighteen (18) years old to thirty (30) years old with the same characteristics are ISNs, except those mentally gifted or fast learners. *Provided*, that, those persons who have mental retardation or autism or other chronic intellectual disabilities, shall be considered a YSN regardless of age.
- C. *Qualified Individuals and Youth with Special Needs* - means a legitimate, illegitimate or legally adopted IYSN chiefly dependent and living with the taxpayer. This also covers individuals with special needs who are placed under the legal custody of an immediate family member or relative.

This does not cover individuals considered mentally gifted or fast learners.

**SECTION 3. Deduction from Taxable Income.** - A qualified taxpayer is entitled to a deduction of P50,000. Expenses that qualify for a deduction are:

1. Tuition for a private school;
2. Therapy;
3. Diagnostic evaluations by a medical professional;
4. Tutoring;
5. Transportation expenses to school or a medical facility;
6. Specialized instructional materials.

The parent or legal guardian must provide more than half of the total financial support for the individual to qualify for the deduction.

**SECTION 4. *Implementation.*** The Bureau of Internal Revenue in consultation with the Department of Education's Special Education Division and the Department of Health shall issue such rules and regulations as may be necessary to carry out the purpose of this Act.

**SECTION 5. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

**Approved.**