

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 4104



Introduced by Pangasinan Fifth District Representative
HON. RAMON N. GUICO JR.

EXPLANATORY NOTE

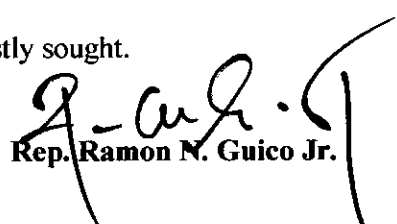
Often we tout that education is the paramount solution to our country's woes and yet, even with the very same annually accorded the lion's share of the national budget, our education system remains far from exceptional. To illustrate, the Department of Education (DepEd) has reported that for Academic Year 2024-2025, there are over 28 million enrollees from kinder to senior high school, with a sizeable number of public schools unable to cope with such spikes in student population. Public school administrators are therefore forced to put students in cramped classrooms, conduct two separate classes in a single room, and enforce irregular shifts to accommodate all year levels in a school day.

Consequently, such severe learning conditions negatively impact the academic development of many Filipino children, which in turn damages the quality of our human capital. Ideally, the classroom-student ratio should be at 1:45, but present realities indicate otherwise. There's also the problem of decrepit school facilities such as libraries, workshops, and even comfort rooms that exacerbates the already uncomfortable conditions many Filipino students and teachers suffer from. Clearly, the budget program is insufficient to meet our annual educational funding requirements.

As such, to address these deficiencies, 20% of all VAT proceeds should be automatically allocated for the following:

- a. Construction of buildings, classrooms, toilets, and other structures for pre-school education;
- b. Additional funding for the Government Assistance to Students and Teachers in Private Education (GASTPE) Program for pre-school education;
- c. Acquisition and improvement of sites for elementary education;
- d. Acquisition and improvement of sites for secondary education;
- e. Acquisition and improvement of sites for state and local universities and colleges;
- f. Scholarship grants for technical education and skills development; and
- g. Scholarship grants for qualified indigent students enrolled in science and engineering courses.

In view of the foregoing, immediate passage of this bill is earnestly sought.


Rep. Ramon N. Guico Jr.

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AN ACT
FINANCING THE "EDUCATION FOR ALL INITIATIVES" FROM THE ANNUAL
VALUE-ADDED TAX COLLECTIONS, AMENDING FOR THE PURPOSE THE
NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

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

SECTION 1. A new section, to be numbered two hundred and eighty-seven, shall be added to Chapter II, Title XI of the National Internal Revenue Code, as amended to read as follows:

"SEC. 287. *Disposition of Proceeds of Value-Added Tax.*—TWENTY PERCENT (20%) OF THE VALUE-ADDED TAX COLLECTED UNDER TITLE IV OF THIS ACT, AS AMENDED, SHALL BE ALLOCATED TO THE FOLLOWING EDUCATION EXPENDITURES AND CORRESPONDING PROPORTIONS:

1) THIRTY PERCENT (10%) SHALL BE ALLOCATED FOR THE CONSTRUCTION OF BUILDINGS, CLASSROOMS, TOILETS, AND OTHER STRUCTURES FOR PRESCHOOL EDUCATION, TO BE ADMINISTERED BY THE DEPARTMENT OF EDUCATION;

2) TEN PERCENT (10%) SHALL BE ALLOCATED TO FUND THE GOVERNMENT ASSISTANCE TO STUDENTS AND TEACHERS IN PRIVATE EDUCATION (GASTPE) PROGRAM FOR PRESCHOOL EDUCATION, TO BE ADMINISTERED BY THE DEPARTMENT OF EDUCATION;

3) TEN PERCENT (20%) SHALL BE ALLOCATED FOR ELEMENTARY EDUCATION FOR THE ACQUISITION AND IMPROVEMENT OF SITES; THE CONSTRUCTION, REPLACEMENT, REHABILITATION, AND REPAIR OF BUILDINGS, CLASSROOMS, LIBRARIES, WORKSHOPS, TOILETS AND OTHER STRUCTURES, TO BE ADMINISTERED BY THE DEPARTMENT OF EDUCATION;

4) THIRTY PERCENT (30%) SHALL BE ALLOCATED FOR SECONDARY EDUCATION FOR THE ACQUISITION AND IMPROVEMENT OF SITES; THE CONSTRUCTION, REPLACEMENT, AND REPAIR OF BUILDINGS, CLASSROOMS, LIBRARIES, WORKSHOPS, TOILETS AND OTHER STRUCTURES, TO BE ADMINISTERED BY THE DEPARTMENT OF EDUCATION;

5) TEN PERCENT (10%) SHALL BE ALLOCATED FOR STATE AND LOCAL UNIVERSITIES AND COLLEGES FOR THE ACQUISITION AND IMPROVEMENT OF

1 SITES; THE CONSTRUCTION, REPLACEMENT, AND REPAIR OF BUILDINGS,
2 CLASSROOMS, LIBRARIES, WORKSHOPS, TOILETS AND OTHER
3 STRUCTURES, TO BE ADMINISTERED BY THE COMMISSION ON HIGHER
4 EDUCATION;

5 6) TEN PERCENT (10%) SHALL BE ALLOCATED FOR SCHOLARSHIP
6 GRANTS FOR TECHNICAL EDUCATION AND SKILLS DEVELOPMENT IN THE
7 DIFFERENT REGIONS, AS PROVIDED FOR IN SECTION 32 OF REPUBLIC ACT NO.
8 7796, TO BE ADMINISTERED BY THE TECHNICAL EDUCATION AND SKILLS
9 DEVELOPMENT AUTHORITY (TESDA); AND

10 7) TEN PERCENT (10%) SHALL BE ALLOCATED FOR SCHOLARSHIP
11 GRANTS FOR QUALIFIED INDIGENT STUDENTS ENROLLED IN SCIENCE AND
12 ENGINEERING COURSES TO BE ADMINISTERED BY THE COMMISSION ON
13 HIGHER EDUCATION.

14 SEC. 2. The succeeding Sections of the National Internal Revenue Code, as amended, are
15 hereby renumbered accordingly.

16 SEC. 3. *Implementing Rules and Regulations*.—The Department of Budget and
17 Management, Bureau of Internal Revenue, and Department of Education shall within thirty (30)
18 days from the effectivity of this Act issue the necessary rules and regulations for its effective
19 implementation.

20 SEC. 4. *Repealing Clause*.— All laws, decrees, orders, rules and regulations, or other
21 issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed.

22 SEC. 5. *Effectivity*.—This Act shall take effect fifteen (15) days after its publication in the
23 Official Gazette in at least two (2) newspapers of general circulation.

Approved,