



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4517

Introduced by Representative Howard A. Guintu

EXPLANATORY NOTE

Article 2, Section 13 of the Constitution states that “(T)he State recognizes the vital role of the youth in nation-building and shall promote and protect their physical, moral, 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 Philippine Health Insurance Corp. (PhilHealth), one out of seven Filipino children, or 5.1 million, are living with disabilities. Furthermore, according to the findings of the Development Academy of the Philippines, one out of five of those living with disabilities are children aged 0-14 years old, while 26.56% are children living in poverty.¹

The national government recognizes the plights of Filipino children with special needs, as evidenced by the signing into law of Republic Act (RA) 11650, or the “Instituting a Policy of Inclusion and Services for Learners with Disabilities in Support of Inclusive Education Act,” in March this year.

While we applaud the effort of the national government for recognizing the educational inclusivity needs of children with special needs, we believe that their parents and guardians should also be empowered and given assistance as well as they support their children in their everyday lives.

Children with special needs have various needs which may include frequent medical testing, hospital stays, equipment, and accommodations for disabilities.² Other than medical and therapeutic needs, these children also need special attention for their education. The

¹ <https://newsinfo.inquirer.net/1674980/zero-budget-for-special-education-in-2023-makes-sped-law-meaningless>

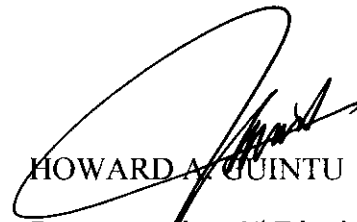
² <https://wecapable.com/cwsn-categories-of-children-with-special-needs/>

national government should be able to assist the parents or legal guardians in uplifting the lives of their children.

Given that children with special needs have needs that would require additional expenses, this proposed bill seeks to entitle a qualified tax payer to a deduction of P50,000 for any of the following: tuition fees for a private school; therapy; diagnostic evaluations by a medical professional; tutoring services; transportation expenses to school or a medical facility; and specialized instructional materials.

It is important to take note that parents and legal guardians of children with special needs make extra efforts to ensure that their children will be able to live a fulfilling and productive life. In part, the national government should also be able to assist the parents and legal guardians in their efforts for the growth of these children.

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

A handwritten signature in black ink, appearing to read 'Howard A. Quintu', is written over the printed name.

HOWARD A. QUINTU

Representative, 1st District of Capiz



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

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

Section 1. Declaration of Policy - It is the policy of the State to promote the right of every individual to relevant quality education regardless of sex, age, breed, socio-economic status, physical and mental condition, social or ethnic origin, and political and other affiliation. 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 of Terms. - For the purposes of this Act, these terms are defined as follows:

- A. *Children with special needs (CSNs)* refer to those persons eighteen (18) years old and below who are the 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 children 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 children 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 performing arts and psychomotor 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. *Children 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 limitation 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. *Children with autism* are those with developmental disabilities significantly affecting verbal and nonverbal communication and social interaction, generally evident before age three (3) that adversely affects a child's educational performance. Other characteristics often associated with autism are engagement in repetitive activities and stereotyped movements, resistance to environmental change or change in daily routines, and unusual responses to sensory experiences. The term does not apply if a child's educational performance is adversely affected because the child has an emotional disturbance.

4. *Children with hearing impairment* are those who are deaf or 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. *Children with behaviour problems* are those who cannot adjust to the socially accepted norms of behaviour and, consequently disrupt their academic progress in the learning efforts of their classmates and interpersonal relations;

6. *Children 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;

7. *Children with orthopedic/physically handicapped* are those whose impairment permanently or temporarily interferes with the normal functions of the joints, muscles or limbs;

8. *Children with learning disabilities* are those whose 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. *Children with speech defects* are those whose speech differs from the average so far as to draw unfavourable 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 a child's educational performance.

10. *Children with multi-handicaps* are those with more than one disability such as the deaf-blind or those diagnosed with autism and intellectual disability.

11. *Children with specific learning disability* are those who have 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 development aphasia.

12. *Children who are emotionally disturbed* are those who exhibit one or more of the following characteristics over a long period of time and to a marked degree that adversely affects their educational performance:

- a) An inability to learn that cannot be explained by intellectual/sensory or health factors;
- b) An inability to build or maintain satisfactory interpersonal relationships with peers and teachers;
- c) Inappropriate types of behaviors or feelings under normal circumstances;
- d) A general pervasive mood of unhappiness or depression; and
- e) A tendency to develop physical symptoms or fears associated with personal or school problems.

The term includes schizophrenia. The term does not apply to children who are socially maladjusted, unless it is determined that they have an emotional disturbance.

13. *Children with traumatic brain injury* are those who 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.

14. *Qualified Children with Special Needs* - means a legitimate, illegitimate or legally adopted child chiefly dependent and living with the taxpayer. This also covers children with special needs who are placed under the legal custody of an immediate family member or relative. The child should not be more than thirteen (13) years of age and must be assessed by the Department of Education's Special Education Division and a medical professional in order to qualify.

Provided, however, that children who are permanently disabled and who are unable to fully take care of themselves are qualified no matter how old they are.

- B. *Youth with special needs (YSNs)* refer to those persons between fifteen (15) years old to thirty (30) years old with the same characteristics are CSNs, 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 children and youth with special needs* are legitimate, illegitimate or legally adopted CYSN chiefly dependent and living with the taxpayer. This also covers children

and with special needs who are placed under the legal custody of an immediate family member or relative.

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

Sec 3. *Deduction from Taxable Income.* - A qualified taxpayer is entitled to a deduction of Fifty Thousand Pesos (P50,000.00). Expenses that qualify for deduction are:

- a) Tuition for a private school;
- b) Therapy;
- c) Diagnostic evaluations by a medical professional;
- d) Tutoring;
- e) Transportation expenses to school or a medical facility; and
- f) Specialized instructional materials.

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

Sec 4. *Implementing Rules and Regulations.* - The Bureau of Internal Revenue (BIR) in consultation with the Department of Education's (DepEd) Special Education Division and Department of Health (DOH) shall issue such rules and regulations as may be necessary to carry out the purpose of this Act, within ninety days from its enactment.

Sec 5. *Appropriations.* - The amount needed for the initial implementation of this Act shall be taken from the current year's appropriations of the BIR. Thereafter, such sums as may be necessary for its continued implementation shall be included in the annual General Appropriations Act.

Sec 6. *Separability Cause.* - If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

Sec 7. *Repealing Cause.* - Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

Sec 8. *Effectivity.* - This Act shall take effect fifteen (15) days following its complete publication in a newspaper of general circulation.

Approved,