



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



TWENTIETH CONGRESS
First Regular Session

House Bill No. 5520

Introduced by Representative Nelson S. Legacion
Third Congressional District, Camarines Sur

EXPLANATORY NOTE

Recognizing the essential role of technology in modern learning, this bill addresses the challenges arising from the shift to online modalities—a transition driven by the COVID-19 pandemic and the need for uninterrupted classes caused by typhoons and other weather-related events.

However, this reliance on digital learning has exposed deep socio-economic inequalities. Significant barriers to access persist, including the lack of suitable devices, inadequate internet connectivity, and the burdensome financial cost of mobile load and data services, all of which disproportionately affect underprivileged student populations. Students from economically disadvantaged backgrounds often lack the essential resources required for effective engagement, putting them at a severe disadvantage, especially when in-person classes are suspended.

To directly address this challenge, this initiative aims to alleviate the financial burdens on all eligible students, thereby empowering them and creating a more equitable educational environment regardless of external disruptions. Furthermore, this measure actively promotes collaboration between the government, educational institutions, and telecommunications companies (TELCOs) in securing the future of the nation's youth.

Specifically, this bill proposes a twenty percent (20%) mandatory discount on mobile load, texting, calling, and internet services for all eligible students. To ensure the active and willing participation of the private sector, the cost of the discount granted can be claimed by TELCOs as a tax deduction equivalent to the full, verified amount. This mechanism incentivizes TELCOs to support a brighter and more prosperous future for the nation's students.

This bill is an improved version of the similar proposed measure previously filed in the 19th Congress by Senators Mark Villar and Francis Tolentino.

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


NELSON S. LEGACION
Representative, Third District, Camarines Sur



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AN ACT INSTITUTIONALIZING THE MANDATORY GRANT OF A TWENTY PERCENT (20%) DISCOUNT PRIVILEGE TO ALL ELIGIBLE STUDENTS ON MOBILE AND INTERNET SERVICES, PROVIDING MECHANISMS THEREFOR, AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* - This Act shall be known as the '*Student Connectivity Discount Act*'.

SECTION 2. *Declaration of Policy.* -The State shall give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development. It also recognizes the vital role of communication and information in nation building. Pursuant to these policies, the State ensures equitable access to education by providing necessary support to students, particularly in their communication and online learning needs. To achieve this, the State shall:

- (a) Establish a mechanism that ensures the mandatory and continuous grant of a student load discount privilege;
- (b) Ensure the seamless cooperation of telecommunication companies (TELCOs) in extending this vital support to students; and
- (c) Encourage students, particularly the poor and underprivileged, to utilize digital tools for education.

SECTION 3. *Definition of Terms.* - As used in this Act:

- (a) Student - Any Filipino citizen duly certified as currently enrolled in a duly authorized elementary, secondary, technical-vocational (including TVET

programs of TESDA), or higher education institution, excluding post-graduate degree courses.

- (b) Telecommunication Companies (TELCOs) - Companies providing mobile, text, call, and internet services in the Philippines.
- (c) Student Discount Privilege – A twenty percent (20%) discount on the retail price of all prepaid and postpaid mobile load, text, call, and internet data services used for educational purposes availed by eligible students.

SECTION 4. Coverage. - This Act shall cover all telecommunication services, including but not limited to:

- (a) Prepaid mobile load for voice, text, and data/internet services;
- (b) The monthly subscription fees of Postpaid mobile plans; and
- (c) The monthly subscription fees of Broadband and internet services, including home WiFi and fiber connections, provided the student is the registered subscriber.

SECTION 5. Student Load Discount Privilege. - A student shall be entitled to a twenty percent (20%) discount on mobile load, text, call, and internet services, subject to the following conditions:

- a) The discount shall be applied upon initial registration with the TELCO and renewal thereafter, upon presentation of a valid school ID or duly issued certificate of enrollment for the current school year.
- b) The discount shall be available year-round, including weekends and holidays.
- (a) The discount shall apply only to personal educational use and may not be transferred.

SECTION 6. Non-Diminution of Existing Benefits and Prohibition on Double Discounts. - The benefits granted under this Act shall not diminish any existing, higher discount or promotional benefit already being offered by TELCOs. Students shall not avail of multiple discounts simultaneously, and must select the single highest applicable discount.

SECTION 7. Tax Deduction for TELCOs. - The telecommunication companies shall be entitled to a tax deduction equivalent to the full, verified amount of the discount granted under this Act, which shall be treated as an allowable deduction from their gross income for the same taxable year, subject to the rules to be promulgated by the Bureau of Internal Revenue (BIR).

SECTION 8. Implementation and Monitoring. - The National Telecommunications Commission (NTC) and the Department of Information and Communications Technology (DICT) shall oversee the implementation of this Act. TELCOs shall submit verified quarterly reports on compliance.

SECTION 9. *Penalties.* - The following penalties shall be imposed for violation of this Act, to wit:

(a) TELCOs that refuse to grant the discount or deliberately fail to comply with the provisions of this Act shall be penalized with a fine of:

(1) Five Hundred Thousand Pesos (₱ 500,000) for the first offense;

(2) One Million Pesos (₱ 1,000,000) for the second offense; and

(3) Two Million Pesos (₱ 2,000,000) for the third and subsequent offenses, without prejudice to the revocation of their operating franchise for grave and repeated offenses.

(b) Any student found using fraudulent documents to avail of the discount shall be disqualified from the privilege without prejudice to the filing of appropriate criminal charges for such act.

SECTION 10. *Implementing Rules and Regulations (IRR).* - Within ninety (90) days from the effectivity of this Act, the National Telecommunications Commission (NTC) and the Department of Information and Communications Technology (DICT), in coordination with the Department of Education (DepEd), the Commission on Higher Education (CHED), and the Technical Education and Skills Development Authority (TESDA), shall jointly formulate the IRR necessary to implement the provisions of this Act.

SECTION 11. *Separability Clause.* - If any provision of this Act is declared unconstitutional, the remainder thereof not otherwise affected shall remain in full force and effect.

SECTION 12. *Repealing Clause.* - All laws, decrees, or executive orders inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 13. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or a newspaper of general circulation.

Approved,