

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

TWENTIETH CONGRESS
1st Regular Session

House Bill No. **7028**



**Introduced by Representatives OMAR VINCENT S. DUTERTE and
PAOLO Z. DUTERTE**

EXPLANATORY NOTE

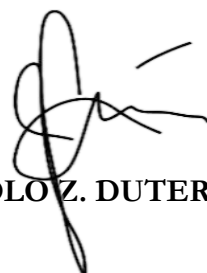
According to the 2024 Study on the Employment of TVET Graduates (SETG), the employment rate of technical-vocational education and training (TVET) graduates in the Philippines has seen a significant rise, reaching 83.34%—an increase from 79% the previous year. Nonetheless, a significant portion of the Technical Education and Skills Development Authority (TESDA) graduates are absorbed by the informal sector or temporary wage labor.

It is in this regard that this bill seeks the transition of skilled workers from being job-seekers to job-creators by mitigating the primary barriers to entrepreneurship, namely: lack of capital, regulatory friction, and initial tax burden. According to the Department of Trade and Industry (DTI), recent livelihood seeding programs in post-disaster areas showed that providing basic equipment (e.g., sewing machines, welding kits, or baking ovens) led to an average 13% increase in profit within the first two months, which manifests that providing the tools of the trade immediately upon graduation would ensure that a welder, hairdresser, or technician can begin earning a livelihood immediately after certification. Moreover, the one-year tax holiday and automatic registration are designed to pave the road for the formalization of businesses since many skilled graduates operate underground because the cost of business permits and the complexity of BIR filings exceed their initial earnings. The automatic registration eliminates the roadblocks that discourage young entrepreneurs, while the tax holiday provides a financial breathing room to reinvest early profits back into the business, ensuring long-term sustainability.

With youth unemployment still hovering around, the role of the state does not stop by mere education. It must also provide the means of production. By empowering TESDA graduates with capital and a frictionless business environment, there will be a more resilient, decentralized, and entrepreneurial Philippine economy.

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


HON. OMAR VINCENT S. DUTERTE


HON. PAOLO Z. DUTERTE

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AN ACT
PROVIDING FOR MICROENTERPRISE SUPPORT TO THE GRADUATES OF
THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
(TESDA), PROVIDING STARTUP CAPITAL, TAX INCENTIVES, STREAMLINED
REGISTRATION, AND FOR OTHER PURPOSES

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 ***"Technical Education and Skills Development Authority (TESDA) Graduates Microenterprise Act of 2025."***

SEC. 2. *Declaration of Policy.* – It is the policy of the State to promote self-reliance and entrepreneurship among the youth and skilled workers. By providing technical-vocational graduates with the necessary tools and incentives, the State aims to transform the technical-vocational graduates from job-seekers into job-creators, thereby stimulating local economies.

SEC. 3. *Eligibility to the Microenterprise Grant* – Any Filipino citizen who has successfully completed a National Certificate (NC) program from a Technical Education and Skills Development Authority (TESDA) - accredited institution and has been issued the corresponding certification is eligible for the benefits under this Act, provided they intend to establish a microenterprise directly related to their field or certification

SEC. 4. *Establishment of Grants.* – All eligible graduates shall be entitled to the following:

- a. **Starter Kit Grant.** All eligible graduates shall be entitled to a Starter Kit Grant worth ten thousand pesos (₱10,000.00), which may be provided in the form of actual tools/equipment, raw materials, or a voucher system specifically for business inventory.
- b. **One-Year Tax Holiday.** Qualified graduates establishing a microenterprise shall be exempt from all national internal revenue taxes for a period of one (1) year from the date of business registration. This includes exemption from income tax arising from the operations of the microenterprise.
- c. **Automatic and Expedited Registration.** To encourage formalization, the following "Green Lane" procedures shall be established:

- i. One-Stop Shop for TESDA Graduates' Microenterprise. TESDA, in coordination with the Department of Trade and Industry (DTI) and Local Government Units (LGUs), shall provide a streamlined registration process.
 - ii. Waived Registration Fees. All initial registration fees for the Mayor's Permit, DTI Business Name Registration, and Barangay Clearance shall be waived for the first year.
- d. **Support and Mentorship.** The DTI, through its *Negosyo Centers*, shall provide mandatory basic entrepreneurship training to grantees, covering:
 - i. Basic Bookkeeping and Financial Literacy
 - ii. Marketing and Digital Presence
 - iii. Supply Chain Management

SEC. 5. Appropriations. – The amount necessary to cover the initial implementation of this Act shall be included in the annual General Appropriations Act (GAA) of TESDA and DTI. Thereafter, such sums as may be necessary for its continued implementation shall be included in the annual General Appropriations Act (GAA).

SEC. 6. Separability Clause. – If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected by such declaration shall remain in full force and effect.

SEC. 7. Repealing Clause. – All laws, presidential decrees, executive orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 8. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,