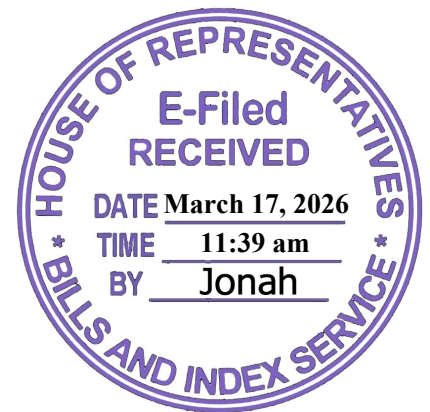


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8589



Introduced by:

HON. CHRISTOPHERSON "COCO" M. YAP

AN ACT

GRANTING A TEN PERCENT (10%) DISCOUNT TO MILITARY AND UNIFORMED PERSONNEL ON CERTAIN GOODS AND SERVICES, PROVIDING FOR A TAX DEDUCTION MECHANISM THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Military and uniformed personnel (MUP) serve on the frontlines of national defense, law enforcement, disaster response, and public safety. Every day, they face risks and demanding duties in order to protect the nation and keep communities safe. Despite their vital role, many members of the uniformed services continue to face the rising costs of basic goods and services that affect their daily lives and the welfare of their families.

The Philippines has long recognized that certain sectors deserve special assistance to help meet essential needs. For example, the Expanded Senior Citizens Act of 2010 (Republic Act No. 9994) provides mandatory discounts on medicines, medical services, transportation, and other basic goods and services for senior citizens. These types of discount programs are part of the government's social policy to support sectors that require additional protection and recognition.

This bill seeks to extend a similar form of support to the country's military and uniformed personnel by granting them a ten percent (10%) discount on selected essential goods and services, including medicines, health services, and transportation. To ensure fair and practical implementation, the bill also allows participating establishments to treat the discount as a tax deduction under the tax laws, helping balance the welfare benefit with the interests of businesses.

By providing modest but meaningful financial relief, this measure recognizes the sacrifices and dedication of the men and women who safeguard the nation. It also reinforces the State's commitment to support those who dedicate their lives to protecting the public.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.


CHRISTOPHERSON "COCO" M. YAP
Representative, Second District of Southern Leyte

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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 “*Military and Uniformed Personnel Discount Act.*”

SECTION 2. Declaration of Policy. — It is the policy of the State to recognize the vital role of military and uniformed personnel (MUP) in national defense, law enforcement, and public safety, and to promote their welfare by adopting non-wage benefits that help make essential goods and services more affordable, consistent with fiscal sustainability and the protection of property rights.

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

- (a) ***Military and Uniformed Personnel (MUP)*** — refers to active-duty, in-service uniformed personnel of the following: (1) Armed Forces of the Philippines (AFP); (2) Philippine National Police (PNP); (3) Bureau of Fire Protection (BFP); (4) Bureau of Jail Management and Penology (BJMP); (5) Philippine Coast Guard (PCG); and (6) commissioned officers of the Hydrography Branch of the National Mapping and Resource Information Authority (NAMRIA)

transferred from the former Bureau of Coast and Geodetic Survey, as may be recognized under existing laws and issuances.

For avoidance of doubt, “MUP” under this Act excludes:

- (i) civilian employees;
 - (ii) uniformed personnel who are not in active service, unless otherwise provided by law; and
 - (iii) cadets/trainees unless expressly covered by the IRR.
- (b) ***Establishment*** — refers to any person, natural or juridical, whether public or private, engaged in the sale of goods or services to the general public, including utilities and transport operators, subject to applicable regulation.
- (c) ***Exclusive use and enjoyment*** — means goods and services actually used, consumed, or availed of by the MUP as the end-user, and not for resale, transfer, or commercial use.

SECTION 4. Discount Privilege. — All covered MUP shall be entitled to a ten percent (10%) discount on the sale of the following goods and services, for their exclusive use and enjoyment:

- (a) Medicines, including essential vaccines and medical supplies, accessories, and equipment, subject to the guidelines to be issued by the Department of Health (DOH);
- (b) Professional fees of attending physician/s and other licensed health professionals, and medical and dental services, including diagnostic and laboratory fees, in private hospitals, medical facilities, outpatient clinics, and home health care services, subject to DOH guidelines to be issued in coordination with the Philippine Health Insurance Corporation (PhilHealth);
- (c) Actual fares for land transportation and public railways, including public utility buses (PUBs), public utility jeepneys (PUJs), taxis, shuttle services, and trains, including LRT, MRT, and PNR;
- (d) Actual fares for domestic air and sea travel, based on the actual fare and subject to reasonable advance booking rules as may be provided in the IRR;
- (e) Services in hotels and similar lodging establishments, restaurants, and recreation centers;

- (f) Admission fees charged by theaters, cinema houses, concert halls, circuses, carnivals, and other similar places of culture, leisure, and amusement; and
- (g) Funeral and burial services for the death of a MUP, which may be claimed by the person who actually paid the funeral and burial expenses, upon presentation of the death certificate and such other requirements as may be provided in the IRR.

In case of promotional discounts, the MUP may avail of either the promotional discount or the discount under this Act, whichever is higher, unless the promotional discount is expressly limited to specific non-stackable campaigns under the IRR.

SECTION 5. Limitations; Prohibition Against Abuse. — The discount privilege shall apply only to the personal account of the MUP for goods and services actually used or availed of by the MUP as end-user. It shall not extend to relatives, companions, or any other person who is not a qualified beneficiary under this Act.

The following acts shall constitute abuse:

- (a) using another person's ID;
- (b) purchasing for resale;
- (c) misrepresentation of status; or
- (d) splitting transactions to circumvent reasonable quantity limitations under the IRR.

SECTION 6. Proof of Entitlement. — To avail of the discount, the MUP or an authorized representative, where applicable under the IRR, shall present a valid identification card issued by the MUP's mother agency, or a digital/online verification mechanism authorized by the IRR.

SECTION 7. Tax Treatment; Reimbursement Mechanism. — The discount granted under this Act shall be treated as a deductible expense from gross income, based on the net cost of the goods sold or services rendered, subject to proper documentation and to the provisions of the National Internal Revenue Code, as amended, and the implementing rules to be issued by the Department of Finance (DOF) through the Bureau of Internal Revenue (BIR).

For this purpose, the DOF-BIR shall, within ninety (90) days from the effectivity of this Act, issue revenue regulations prescribing uniform documentation, reporting, and substantiation requirements.

SECTION 8. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, the DOH, in coordination with the DOTr, DTI, DENR only as may be relevant, DILG, DND, PCG, PhilHealth, and the DOF-BIR, shall promulgate the implementing rules and regulations (IRR). The IRR shall include:

- (a) reasonable quantity limits for medicines and essential goods to prevent abuse while ensuring access;
- (b) procedures for funeral and burial discount claims;
- (c) advance booking rules for air and sea travel; and
- (d) digital verification standards.

SECTION 9. Penalties. —

- (a) **Refusal to Honor Discount.** — Any person or establishment that refuses to honor the discount, after due verification, shall be punished by imprisonment of not less than two (2) years but not more than six (6) years, and a fine of not less than Fifty thousand pesos (₱50,000.00) but not more than One hundred thousand pesos (₱100,000.00), for the first offense.

For the second and subsequent offenses, the penalty shall be imprisonment of not less than two (2) years but not more than six (6) years and a fine of not less than One hundred thousand pesos (₱100,000.00) but not more than Two hundred thousand pesos (₱200,000.00).

- (b) **Abuse of Privilege.** — Any person who abuses the privileges granted herein shall be punished by imprisonment of not less than six (6) months but not more than two (2) years, and a fine of not less than Fifty thousand pesos (₱50,000.00) but not more than One hundred thousand pesos (₱100,000.00), without prejudice to administrative liability under applicable service rules.
- (c) **Juridical Persons.** — If the offender is a corporation, partnership, association, or similar entity, the president, general manager, managing partner, or other responsible officer who participated in, authorized, or knowingly tolerated the violation shall be liable.

(d) **Administrative Sanctions.** — Upon complaint, and after due notice and hearing, the appropriate local government unit or regulatory agency may suspend or revoke the business permit, permit to operate, franchise, or similar privilege of an establishment that repeatedly violates this Act, subject to applicable laws and regulations.

SECTION 10. Separability Clause. — If any provision of this Act is held invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

SECTION 11. Repealing Clause. — All laws, rules, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 12. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,