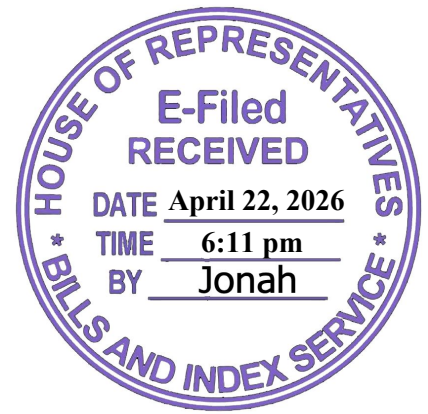


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8951



Introduced by **Representative ERIC G. YAP**

EXPLANATORY NOTE

This bill seeks to grant a fifty thousand pesos (P50,000.00) tax deduction from the taxable income of parents and legal guardians of children with disabilities. It provides them financial relief and support from the daily responsibility of caring for children with disabilities.

Raising a child with special needs extends beyond ordinary household expenses. Families often face an invisible “*disability tax*” where a portion of their household income goes toward non-negotiable expenses like speech therapy, specialized tutoring, and transportation to medical facilities. These financial pressures often result in delayed interventions, interrupted schooling, or foregone treatment, which adversely affect the long-term development and integration of these children into society.

This proposed measure empowers parents to sustain the long-term requirements of their children’s conditions without compromising the family’s basic economic stability. It also establishes clear eligibility criteria to ensure that the benefit reaches those who provide substantial financial support and actual caregiving to qualified children with disabilities.

The bill reduces financial barriers faced by families, and enables children with disabilities to access the services they need to reach their full potential. It strengthens the State’s commitment to equity by recognizing that equal opportunity sometimes requires specialized support for those with greater needs.

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


HON. ERIC G. YAP

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8951

Introduced by **Representative ERIC G. YAP**

AN ACT
GRANTING TAX DEDUCTIONS TO QUALIFIED 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. *Short Title.* – This Act shall be known as the “*Parents and Legal Guardians of Children with Special Needs Tax Deduction Act*”.

SEC. 2. *Declaration of Policy.* – Article II, Section 13 of the 1987 Philippine Constitution provides that the State recognizes the vital role of the youth in nation-building and shall promote and protect their physical, moral, spiritual, intellectual, and social well-being. It shall inculcate in the youth patriotism and nationalism, and encourage their involvement in public and civic affairs.

To this end, the State shall pursue inclusion of persons with special needs in government programs and provide necessary support not only to them but also their parents and legal guardians through the grant of tax deductions.

SEC. 3. *Definition of Terms.* – For the purpose of this Act, the following terms shall mean:

a) Children with Special Needs (CSNs) - Persons aged eighteen (18) years old and below who are either intellectually gifted or fast learners, or who have disabilities, impairments, or handicaps that make learning and other activities difficult and/or require special attention and services to facilitate their rehabilitation. They may be classified as follows:

1. *Children with physical/Orthopedic Disability* - Those who have limitations on the use of limbs or other physical functions;

2. *Children with Intellectual Disability* - Those with conditions involving slow progress in mental development;

3. *Children with Mental Disability* - Those with mental illness or disorders affecting mood, thinking, and behavior, such as schizophrenia or bipolar disorder;

4. *Children with Psychological Disability* - Those with psychological or social conditions affecting their ability to interact with others and function in daily life;

5. *Children with Visual Disability* - Those with impairment of visual functioning that persists even after treatment or correction, with a specific level of vision loss;

6. *Children with Hearing Disability* - Those who are deaf or hard-of-hearing;

7. *Children with Learning Disability* - Those with conditions that make it difficult to focus, comprehend, or retain information, such as dyslexia or dysgraphia;

8. *Children with Speech and Language Impairment* - Those with disorders related to speech, rhythm, or the understanding and expression of language;

9. *Children with Disability due to Chronic Illness* - Those with disabilities resulting from long-term or chronic disease, such as blindness due to diabetic retinopathy or physical limitations due to cancer;

10. *Children with Autism* - Those with developmental disabilities affecting social communication and interaction, along with restricted and repetitive behaviors;

b) Youth with Special Needs (YSN) - Individuals aged fifteen (15) to twenty-four (24) years old with the same characteristics as CSNs;

c) Qualified Children and Youth with Special Needs - Legitimate, illegitimate, or legally adopted children and youth who are dependent and living with the taxpayer. This also includes children and youth with special needs placed under the legal custody of an immediate family or relative;

SEC. 4. *Deduction from Taxable income* . – A qualified taxpayer shall be granted a deduction of Fifty Thousand Pesos (P50,000.00) from taxable income, provided that said amount is used for any of the following

1) Therapy;

2) Diagnostic evaluations by a medical professional;

- 3) Tutoring;
- 4) Transportation expenses to and from a school or medical facility;
- 5) Specialized instructional materials or assistive devices.

To qualify, the parent or legal guardian must provide more than half of the total financial support for the child or youth with special needs.

SEC. 5. *Implementing Rules and Regulations.* – The Bureau of Internal Revenue (BIR), in coordination with the Department of Education (DepEd)- Special Education Division and the Department of Health (DOH) shall promulgate the relevant implementing rules and regulations to carry out the objectives of this Act, within ninety (90) days from its effectivity.

SEC. 6. *Appropriations.* – The funding for the initial implementation of this Act shall be taken from the current year appropriation of the BIR and thereafter, shall be included in the General Appropriations Act.

SEC. 7. *Separability Clause.* – If any provision of this Act is declared invalid or unconstitutional, the other parts hereof not affected thereby shall remain valid.

SEC. 8. *Repealing Clause.* – All laws, acts, presidential decrees, executive orders, administrative orders, rules and regulations inconsistent with or contrary to the provisions of this Act are deemed amended, modified or repealed accordingly.

SEC. 9. *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,