

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

H. B. No. 1564



Introduced by **HONORABLE ROMMEL RICO T. ANGARA**

AN ACT
GRANTING DISCOUNTS ON BASIC AND EDUCATION SERVICES TO
UNDERPRIVILEGED STUDENTS IN ALL LEVELS, INCLUDING THOSE ENROLLED
IN TECHNICAL-VOCATIONAL (TECH-VOC) INSTITUTIONS

EXPLANATORY NOTE

The 1987 Constitution provides that the State shall establish and maintain a system of scholarship grants, student loan programs, and provide other incentives which shall be made available to deserving students, especially to the underprivileged.

While the passage of Republic Act No. 10931 or the "Universal Access to Quality Tertiary Education Act" (also more popularly known as the "Free Tuition Law") eases the burden of Filipinos, the Commission on Higher Education said that tuition only comprised 30-40 percent of a family's out-of-pocket education expenses.

According to the Philippine Statistics Authority, the Higher Education (Baccalaureate) Enrollment for AY 2017-2018 is 2, 618, 756 but only 596, 257 graduated or barely 22.77 percent of the total enrollees. Thus, even with the presence of a number of laws granting discounts and free tuition, hardly a quarter of the college enrollees finish their degrees due to lack of financial capacity to finance the daily school expenses.

To lessen the financial burden of the underprivileged students, this bill proposes to grant discounts on basic services, such as food and medicine. Moreover, it also seeks to give them discounts on educational expenses, such as tuition, miscellaneous, and other school fees, including books and school supplies.

In view of the foregoing reasons, immediate approval of this measure is earnestly sought.


ROMMEL RICO T. ANGARA
Representative
Lone District, Province of Aurora

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

1 Section 1. *Short Title.* – This Act shall be known as the "*Underprivileged Students'*
2 *Discount Act of 2019.*"

3 Sec. 2. *Declaration of Policy.* – It is the policy of the State to prioritize quality education
4 and take appropriate steps to make such education accessible to all.

5 Sec. 3. *Definition of Terms.* – As used in this Act, the following terms shall mean:

6 (a) *Underprivileged Student* refers to a Filipino student enrolled in basic education,
7 post-secondary non-degree technical-vocational (Tech-Voc) courses, and those enrolled
8 in bachelor's Degree Programs at the college level, whose parents have a gross annual
9 income of not more than One Hundred Fifty Thousand Pesos (P150,000.00), subject to
10 review by the National Economic and Development Authority (NEDA) every three years:
11 *Provided, That* a Filipino student who opts to take part-time jobs to subsidize the student's
12 education and whose income combined with the annual gross income of the student's
13 parents do not exceed One Hundred Fifty Thousand Pesos (P150,000.00), subject to
14 review by the NEDA every three (3) years, is deemed an Underprivileged Student;

15 (b) *Discounts* refer to an amount deducted or counted off from the cost of goods
16 under basic services and from fees to be collected on education services;

17 (c) *Basic Services* refer to basic necessities such as food for snacks and meals and
18 medicines; and

19 (d) *Education Services* refer to education-related expenditures such as tuition,
20 miscellaneous and other school fees, books, and school supplies.

21 Sec. 4. *Discounts for Underprivileged Students.* – Underprivileged students shall be
22 entitled to the following:

- 1 (a) On Food Establishments - A five percent (5%) discount shall be granted to
2 underprivileged students by food establishments such as food chains, canteens
3 and restaurants anywhere in the country: *Provided*, That private food
4 establishments may claim the cost as allowable tax deduction from the gross
5 income in the computation of the income tax in accordance with the provisions of
6 the National Internal Revenue Code (NIRC) of 1997, as amended;
- 7 (b) On Medicines - A five percent (5%) discount shall be granted to underprivileged
8 students by pharmacies or drug stores anywhere in the country: *Provided*, That
9 these pharmacies or drug stores may claim the cost as allowable tax deduction
10 from the gross income in the computation of the income tax in accordance with
11 the provisions of the NIRC of 1997, as amended;
- 12 (c) On Textbooks and School Supplies - A five percent (5%) discount shall be granted
13 to underprivileged students by establishments anywhere in the country that sell
14 reference books and school supplies: *Provided*, That these establishments may
15 claim the cost as allowable tax deduction from the gross income in the
16 computation of the income tax in accordance with the provisions of the NIRC of
17 1997, as amended; and
- 18 (d) On Tuition Fees, Miscellaneous, and Other School Fees - A five percent (5%)
19 discount shall be granted to underprivileged students by public and private
20 schools where they are enrolled in, without prejudice to their right to avail
21 themselves of other educational assistance given by the school and the
22 government, such as those provided under Republic Act No. 6728, as amended
23 by Republic Act No. 8545 or the "Government Assistance to Students and
24 Teachers in Private Education (EGASTPE)", Republic Act No. 9442 or the law
25 amending the "Magna Carta for the Disabled", Republic Act No. 10687 or the
26 "Unified Student Financial Assistance System for Tertiary Education (UniFAST)",
27 and Republic Act No. 10931 or the "Universal Access to Quality Tertiary Education
28 (UAQTE) Act": *Provided*, That the schools may claim the cost as allowable tax
29 deduction from the gross income in the computation of the income tax in
30 accordance with the provisions of the NIRC of 1997, as amended.
- 31 (e) On Museums, Theaters, and Cultural Events - A five percent (5%) discount shall
32 be granted to underprivileged students on entrance fees to museums, theaters,
33 and cultural events sanctioned by the National Commission on Culture and Arts
34 anywhere in the country: *Provided*, That private museums, theaters and
35 producers of cultural events may claim the cost as allowable tax deduction from

1 the gross income in the computation of the income tax in accordance with the
2 provisions of the NIRC of 1997, as amended.

3 Sec. 5. *Limitations.* – The Department of Education (DepEd), Technical Education and
4 Skills Development Authority (TESDA), and Commission on Higher Education (CHED) may
5 identify grounds for disqualification of students in availing the aforementioned discounts,
6 in accordance with the implementing rules and regulations of this Act: *Provided, That*
7 these grounds will not defeat the purpose of liberally granting such discounts to
8 underprivileged students.

9 Sec. 6. *Roles of DepEd and CHED.* – Qualified primary and secondary students, and
10 tertiary or college beneficiaries, shall be determined by DepEd and CHED, respectively.
11 These agencies shall have the following functions:

- 12 (a) To plan, implement, and monitor yearly work programs, evaluate and submit
13 annual reports in pursuance to the objectives of this Act;
- 14 (b) To screen applicants, receive documentary proof, and identify who are the eligible
15 underprivileged primary, secondary and college students based on the provisions
16 of this Act;
- 17 (c) To closely coordinate with the NEDA in determining the income brackets of Filipino
18 families for the purpose of identifying underprivileged primary, secondary and
19 college students, respectively;
- 20 (d) To issue identification cards which shall be valid anywhere in the country as proof
21 of the eligibility of the underprivileged primary, secondary and college students to
22 avail themselves of the discounts;
- 23 (e) To maintain and regularly update, on a quarterly basis, the list of underprivileged
24 primary, secondary, and college students who avail themselves of the discounts;
- 25 (f) To provide information to the affected establishments under Section 4 of this Act
26 for any questions regarding the eligibility of any underprivileged primary,
27 secondary and college students claiming the discounts through the DepEd and
28 CHED websites, respectively;
- 29 (g) To monitor the extent of implementation of this Act and to coordinate with the
30 concerned agencies regarding the imposition of penalties on violators of this Act;
31 and
- 32 (h) To perform such other functions as may be determined by the DepEd Secretary
33 and CHED Chairperson.

34 Sec. 7. *Role of TESDA.* – The TESDA shall be in charge of determining the qualified
35 post-secondary tech-voc beneficiaries under this Act through its Office of Technical-
36 Vocational Education and Training (TVET) Systems Development Office (TSDO). The

1 TESDA Director-General shall include in the regular functions of the TSDO the following
2 additional functions:

- 3 (a) To plan, implement, and monitor work programs, evaluate and submit annual
4 reports in pursuance of the objectives of this Act;
- 5 (b) To screen applicants, receive documentary proof, and identify who are the eligible
6 underprivileged post-secondary students based on the provisions of this Act;
- 7 (c) To closely coordinate with the NEDA in determining the income brackets of Filipino
8 families for the purpose of identifying underprivileged post-secondary students;
- 9 (d) To issue identification cards which shall be valid anywhere in the country as proof
10 of the eligibility of the underprivileged post-secondary students to avail themselves
11 of the discounts;
- 12 (e) To maintain and regularly update, on a quarterly basis, the list of underprivileged
13 post-secondary students who avail themselves of the discounts and to review,
14 evaluate and assess their academic standing;
- 15 (f) To cancel the identification cards issued for those disqualified under Section 5 of
16 this Act;
- 17 (g) To provide information to the affected establishments under Section 4 of this Act
18 for any questions regarding the eligibility of any underprivileged post-secondary
19 students claiming the discounts through the TESDA website;
- 20 (h) To monitor the extent of implementation of this Act and to coordinate with the
21 concerned agencies regarding the imposition of penalties on violators of this Act;
22 and
- 23 (i) To perform such other functions as may be determined by the TESDA Director-
24 General in the implementation of this Act.

25 Sec. 8. *Tax Incentives.* – Discounts granted by establishments to underprivileged
26 students under this Act shall be treated as allowable deduction from the gross income in
27 the computation of the income tax, in accordance with the provisions of NIRC of 1997,
28 as amended.

29 Sec. 9. *Implementing Rules and Regulations.* – The DepEd, TESDA, and CHED, in
30 coordination with the NEDA, the Department of Social Welfare and Development (DSWD),
31 the Department of Health (DOH), the Department of Trade and Industry (DTI),
32 Department of Finance (DOF), and such other agencies concerned with the
33 establishments which may be affected by this Act, shall issue the implementing rules and
34 regulations to carry out the objectives of this Act within thirty (30) days after this law
35 takes effect.

1 Sec. 10. *Penalties.* – The first violation of any provisions of this Act shall cause the
2 suspension of the license to operate or the business permit of the establishment or person
3 concerned for not less than one (1) week but not more than four (4) weeks and a fine of
4 not less than Twenty Thousand Pesos (P20,000.00) but not more than Fifty Thousand
5 Pesos (P50,000.00).

6 The second violation of any provisions of this Act shall cause the suspension of the
7 license to operate or the business permit of the establishment or the person concerned
8 for not less than four (4) weeks and a fine of not less than Fifty Thousand Pesos
9 (P50,000.00), but not exceeding Two Hundred Fifty Thousand Pesos (P250,000.00):
10 *Provided, however,* That the procedure of notice and hearing shall have been complied
11 with prior to the imposition of the said penalties.

12 If the offender is a corporation, organization or any similar entity, the officers
13 thereof shall suffer the same penalty imposed on any person found violating this Act.

14 Sec. 11. *Enforcement.* – Pursuant hereto, the DepEd, DTI, DOH, and local government
15 units (LGUs), in coordination with the CHED and TESDA, shall have the mandate to
16 implement the provisions of this Act. After filing of an appropriate complaint, and after
17 due notice and hearing, the proper authorities may also cause the cancellation or
18 revocation of the business permit, permit to operate, franchise and other similar privileges
19 granted to any business entity that fails to abide by the provisions of this Act.

20 Sec. 12. *Separability Clause.* – If any provision or part thereof is held invalid or
21 unconstitutional, the other sections or provisions thereof shall not be affected thereby
22 and shall remain in force and effect.

23 Sec. 13. *Repealing Clause.* – All laws, executive orders, decrees, instructions, rules
24 and regulations contrary to or inconsistent with any provision of this Act are hereby
25 amended, repealed or modified accordingly.

26 Sec. 14. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
27 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,