

REPUBLIC OF THE PHILIPPINES  
HOUSE OF REPRESENTATIVES  
Quezon City

EIGHTEENTH CONGRESS  
First Regular Session

House Bill No. 6642



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Introduced by **MAGDALO Party-List Representative**  
**HON. MANUEL DG. CABOCHAN III**

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**EXPLANATORY NOTE.**

Article XIV, Section 1 of the 1987 Constitution states:

*"The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all."*

The Free Tuition Law is a step towards this constitutional mandate. It especially alleviates the burden of poor Filipinos to provide education for their children. But for most families, there are still out-of-pocket expenses to make ends meet.

According to the Commission on Higher Education, tuition fees make up a mere 30 to 40 percent of a family's out-of-pocket expenses. The bigger shares of daily expenses allotted by Filipino families for their children are for food, medicine, transportation, school supplies and miscellaneous fees. This is a huge financial constraint particularly for the poor.

Hence, this measure seeks to grant underprivileged students discounts on commodities such as food, medicine and school supplies. The discounts on the essential needs of students would help ease the financial burden of poor families. This also aims to encourage Filipino families to send their children to school without the constant worry of limited financial resources. This is part of providing favorable conditions for education to be truly accessible to every Filipino.

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

**MANUEL DG. CABOCHAN III**  
*Representative*  
Magdalo Para Sa Pilipino Party-List

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AN ACT

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

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

1       **SECTION 1. *Short Title.***— This Act shall be known as the “Underprivileged  
2 Students’ Discount Act”.

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

7  
8       **SEC. 3. *Definition of Terms.*** – For this purpose of this Act:

- 9  
10       (a) *Underprivileged Student* refers to a Filipino student enrolled in basic education, post-  
11 secondary non-degree technical-vocational (Tech-Voc) courses, and those enrolled in  
12 bachelor’s Degree Programs at the college level, whose parents have a gross annual  
13 income of not more than One Hundred Fifty Thousand Pesos (P150,000.00), subject  
14 to review by the National Economic and Development Authority (NEDA) every three  
15 years: *Provided*, that a Filipino student who opts to take part-time jobs to subsidize  
16 the student’s education and whose income combined with the annual gross income of  
17 the student’s parents do not exceed One Hundred Fifty Thousand Pesos  
18 (P150,000.00), subject to review by the NEDA every three (3) years, is deemed an  
19 Underprivileged Student;  
20  
21       (b) *Discounts* refer to an amount deducted or counted off from the cost of goods under  
22 basic services and from fees to be collected on education services;



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

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

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

(a) On Food Establishments – A five percent (5%) discount shall be granted to underprivileged students by food establishments such as food chains, canteens and restaurants anywhere in the country: *Provided*, that private food establishments may claim the cost as allowable tax deduction from the gross income in the computation of the income tax in accordance with the provisions of the National Internal Revenue Code (NIRC) of 1997, as amended;

(b) On Medicines – A five percent (5%) discount shall be granted to underprivileged students by pharmacies or drug stores anywhere in the country: *Provided*, that these pharmacies or drug stores may claim the cost as allowable tax deduction from the gross income in the computation of the income tax in accordance with the provisions of the NIRC of 1997, as amended;

(c) On Textbooks and School Supplies – A five percent (5%) discount shall be granted to underprivileged students by establishments anywhere in the country that sell reference books and schools supplies: *Provided*, that these establishments may claim the cost as allowable tax deduction from the gross income in the computation of the income tax in accordance with the provisions of the NIRC of 1997, as amended;

(d) On Tuition Fees, Miscellaneous, and Other School Fees – A five percent (5%) discount shall be granted to underprivileged students by public and private schools where they are enrolled in, without prejudice to their right to avail themselves of other educational assistance given by the school and the government, such as those provided under Republic Act No. 6728, as amended by Republic Act No. 8545 or the “Government Assistance to Students and Teachers in Private Education (EGASTPE)”, Republic Act No. 9442 or the law amending the “Magna Carta for the Disabled”, Republic Act No. 10687 or the “Unified Student Financial Assistance System for Tertiary Education (UniFAST)”, and Republic Act No. 10931 or the “Universal Access to Quality Tertiary Education (UAQTE) Act”: *Provided*, that the schools may claim the cost as allowable tax deduction from the gross income in the computation of the income tax in accordance with the provisions of the NIRC of 1997, as amended; and

- 1 (e) On Museums, Theaters and Cultural Events – A five percent (5%) discount shall be  
2 granted to underprivileged students on entrance fees to museums, theaters, and  
3 cultural events sanctioned by the National Commission on Culture and Arts anywhere  
4 in the country: *Provided*, that private museums, theaters and producers of cultural  
5 events may claim the cost as allowable tax deduction from the gross income in the  
6 computation of the income tax in accordance with the provisions of the NIRC of  
7 1997, as amended.  
8

9 **SEC. 5. *Limitations.*** – The Department of Education (DepEd), Technical Education  
10 and Skills Development Authority (TESDA) and Commission on Higher Education (CHED)  
11 may identify grounds for disqualification of students in availing the aforementioned  
12 discounts, in accordance with the implementing rules and regulations of this Act: *Provided*,  
13 that these grounds will not defeat the purpose of liberally granting such discounts to  
14 underprivileged students.  
15

16 **SEC. 6. *Role of DepEd and CHED.*** – Qualified primary and secondary students and  
17 tertiary or college beneficiaries, shall be determine by DepEd and CHED, respectively. These  
18 agencies shall have the following functions:  
19

- 20 (a) To plan, implement and monitor yearly work programs, evaluate and submit annual  
21 reports in pursuance to the objectives of this Act;  
22  
23 (b) To screen applicants, receive documentary proof and identify who are the eligible  
24 underprivileged primary, secondary and college students based on the provisions of  
25 this Act;  
26  
27 (c) To closely coordinate with the NEDA in determining the income brackets of Filipino  
28 families for the purpose of identifying underprivileged primary, secondary and  
29 college students, respectively;  
30  
31 (d) To issue identification cards which shall be valid anywhere in the country as proof of  
32 the eligibility of the underprivileged primary, secondary and college students to avail  
33 themselves of the discounts;  
34  
35 (e) To maintain and regularly update, on a quarterly basis, the list of underprivileged  
36 primary, secondary and college students who avail themselves of the discounts;  
37  
38 (f) To provide information to the affected establishments under Section 4 of this Act for  
39 any questions regarding the eligibility of any underprivileged primary, secondary and  
40 college students claiming the discounts through the DepEd and CHED websites,  
41 respectively;  
42  
43 (g) To monitor the extent of implementation of this Act and to coordinate with the  
44 concerned agencies regarding the imposition of penalties on violators of this Act; and



- 1  
2 (h) To perform such other functions as may be determine by the Secretary of the DepEd  
3 and Chairperson of CHED.  
4

5 **SEC. 7. Role of TESDA.** – The TESDA shall be in charge of determining the qualified post-  
6 secondary technical-vocational beneficiaries under this Act through its Office of Technical-  
7 Vocational Education and Training (TVET) Systems Development Office (TSDO). The  
8 TESDA Director-General shall include in the regular functions of the TSDO the following  
9 additional functions:  
10

- 11 (a) To plan, implement and monitor work programs, evaluate and submit annual  
12 reports in pursuance of the objective of this Act;  
13  
14 (b) To screen applicants, receive documentary proof and identify who are the eligible  
15 underprivileged post-secondary students based on the provisions of this Act;  
16  
17 (c) To closely coordinate with the NEDA in determining the income brackets of  
18 Filipino families for the purpose of identifying underprivileged post-secondary  
19 students;  
20  
21 (d) To issue identification cards which shall be valid anywhere in the country as proof  
22 of the eligibility of the underprivileged post-secondary students to avail  
23 themselves of the discounts;  
24  
25 (e) To maintain and regularly update, on a quarterly basis, the list of underprivileged  
26 post-secondary students who avail themselves of the discounts and to review,  
27 evaluate and assess their academic standing;  
28  
29 (f) To cancel the identification cards issue for those disqualified under Section 5 of  
30 this Act;  
31  
32 (g) To provide information to the affected establishments under Section 4 of this Act  
33 for any questions regarding the eligibility of any underprivileged post-secondary  
34 students claiming the discounts through the TESDA website;  
35  
36 (h) To monitor the extent of implementation of this Act and to coordinate with the  
37 concerned agencies regarding the imposition of penalties on violators of this Act;  
38 and  
39  
40 (i) To perform such other functions as may be determine by the TESDA Director-  
41 General in the implementation of this Act.  
42

43 **SEC. 8. Tax Incentives.** – Discounts granted by establishments to underprivileged  
44 students under this Act shall be treated as allowable deduction from the gross income in the

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

3  
4 **SEC. 9. *Implementing Rules and Regulations.*** – The DepEd, TESDA and CHED, in  
5 coordination with the NEDA, the Department of Social Welfare and Development (DSWD),  
6 the Department of Health (DOH), the Department of Trade and Industry (DTI), the  
7 Department of Finance (DOF) and such other agencies concerned with the establishments  
8 which may be affected by this Act, shall issue the implementing rules and regulations to carry  
9 out the objectives of this Act within thirty (30) days after this law takes effect.

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

16  
17 The second violation of any provisions of this Act shall cause the suspension of the  
18 license to operate or the business permit of the establishment or the person concerned for not  
19 less than four (4) weeks and a fine of not less than Fifty Thousand Pesos (P50,000.00) but not  
20 exceeding Two Hundred Fifty Thousand Pesos (P250,000.00): *Provided*, however, that the  
21 procedure of notice and hearing shall have been complied with prior to the imposition of the  
22 said penalties.

23  
24 If the offender is a corporation, organization or any similar entity, the officers thereof  
25 shall suffer the same penalty imposed on any person found violating this Act.

26  
27 **SEC. 11. *Enforcement.*** – Pursuant hereto, the DepEd, DTI, DOH and local  
28 government units (LGUs), in coordination with the CHED and TESDA, shall have the  
29 mandate to implement the provision of this Act. After filing of an appropriate complaint, and  
30 after due notice and hearing, the proper authorities may also cause the cancellation or  
31 revocation of the business permit, permit to operate, franchise and other similar privileges  
32 granted to any business entity that fails to abide by the provisions of this Act.

33  
34 **SEC. 12. *Separability Clause.*** – If any provision of this Act is declared invalid or  
35 unconstitutional, the other provisions not affected by such declaration shall remain in force  
36 and effect.

37  
38 **SEC. 13. *Repealing Clause.*** – All laws, executive orders, administrative orders, and  
39 rules and regulations inconsistent with this Act are hereby repealed or amended accordingly.

40  
41 **SEC. 14. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its  
42 publication in the Official Gazette or in a newspaper of general circulation.

*Approved,*