

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
FIRST REGULAR SESSION)

'04 JUN 30 P12:35

SENATE

RECEIVED BY: 

S.B. NO. 72

Introduced by **SENATOR LUISA "Loi" P. EJERCITO ESTRADA**

EXPLANATORY NOTE

The Constitution is clear: education is imperative for national development. Article 2, Section 17, provides that "The State shall give priority to education...to foster patriotism and nationalism, accelerate social progress and promote total human liberation and development." Article 14, Section 1, states that "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."

That education is a right is recognized by the State. Such recognition imposes upon the State the responsibility of sharing with the parents the burden of educating the youth. That notwithstanding, the yearly budgetary process subordinates education to debt service. This has succeeded in denying to the majority of our people full access to quality education. While fully aware of the gravity of this problem, we have so far been unable to address it.

The State also provides for free elementary and secondary education. There is token government provision for tertiary education through a limited number of state universities and colleges, where there is a limited public access. The private sector is wholly left to bear the cost of private elementary and secondary and public and private tertiary schooling. Manifestly, the State has failed to adequately meet the requirements of the nation. It is in the context of such inability, and the prohibitive cost of education, especially for the poor, that more creative remedial measures must be found.

This bill aims to help the State live up to its constitutional commitment while helping parents and families who have to spend a big part of their small incomes for education by allowing tax exemptions for educational expenses at all levels, public and private. The bill especially addresses the plight of the approximately 80% of college students enrolled in private schools. The bill eases the burden of poor families who toil and sell everything they have to send their children to private schools because of limited opportunities and lack of space in state-run institutions.


In particular, the parents and families who send their children or dependents to private schools are burdened twice:

- (1) first, with the taxes they pay, they help subsidize or support the education of the children of other parents and families who go to public schools, and
- (2) second, with their personal or private funds, they assume the obligation of the State to provide for education of the young

Thus, income of the taxpayer which is spent for the education of dependents should not be taxed. Anyway, such expense is really an investment not only in the personal future of the student but that also of the nation.

Education, whether undertaken by the State or upon private initiative, is public in character. We have mandated it to be so in our fundamental charter. This is our sacred responsibility in government, so we are committed to uphold it.

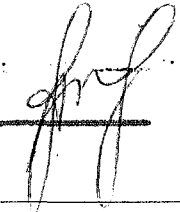
Approval of this bill is therefore earnestly sought.


LUISA "LOI" P. EJECITO ESTRADA
Senator

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
FIRST REGULAR SESSION)

'04 JUN 30 P12:35

SENATE

RECEIVED BY: 

S.B. NO. 712

Introduced by **SENATOR LUISA "LOI" P. EJERCITO ESTRADA**

AN ACT
PROVIDING TAX EXEMPTION ON THE EDUCATIONAL EXPENSES INCURRED
BY A TAXPAYER, AMENDING SECTION 35 OF THE NATIONAL INTERNAL
REVENUE CODE, AS AMENDED, AND FOR OTHER PURPOSES

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

Section 1. Section 35, subsection (B) of the National Internal Revenue Code, as amended, shall be further amended to include an additional item of personal exemption which shall read as follows:

"ACTUAL TUITION AND OTHER ORDINARY EDUCATION FEES OR EXPENSES INCURRED BY THE TAXPAYER IN THE AMOUNT OF NOT MORE THAN TWENTY THOUSAND PESOS (P20,000.00) A YEAR PER DEPENDENT, BUT NOT MORE THAN FOUR DEPENDENTS: PROVIDED, THAT SUCH CEILING SHALL BE INCREASED THROUGH RULES AND REGULATIONS BY THE SECRETARY OF FINANCE TO CONSIDER, AMONG OTHERS, THE ANNUAL INFLATION RATE.

Sec. 2. All provisions of the National Internal Revenue Code, as amended, inconsistent with the above provision, are hereby amended accordingly.

Sec. 3. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,