

**SENATE OF THE PHILIPPINES** )  
**SIXTEENTH CONGRESS** )  
**First Regular Session** )



'14 MAY 28 AM 50

**SENATE**

RECEIVED BY: *JVS*

Senate Bill No. 2254

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Introduced by **SENATOR JOSEPH VICTOR G. EJERCITO**

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**AN ACT FURTHER AMENDING REPUBLIC ACT NO. 8424,  
OTHERWISE KNOWN AS THE TAX REFORM ACT OF 1997 BY  
EXEMPTING FROM VALUE-ADDED TAX THE GOODS AND SERVICES  
ACQUIRED BY EDUCATIONAL INSTITUTIONS**

**EXPLANATORY NOTE**

Among the basic needs given importance by most families is education. This is the reason why even if they can barely eat three meals a day, parents and working students often forego other needs just to pay for education.

One of the factors, which place a big burden to the populace is the high tuition fees of schools which is even aggravated by the value-added tax (VAT) that is being passed on to the schools by its suppliers of goods and services. Unfortunately, the VAT is then passed on by the school to the students, which make it more difficult for them to afford the already high tuition fees.

As such, and in order to help ease this burden, an amendment must be made to Section 109 (m) of the Tax Reform Act of 1997 by exempting VAT goods purchased by the school and services rendered to it by its suppliers and service providers.

In view of the foregoing, immediate passage of this measure is earnestly requested.

**JOSEPH VICTOR G. EJERCITO**

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

**SECTION 1.** Section 109 (m) of Republic Act No. 8424, otherwise known as the Tax Reform Act of 1997 is hereby amended to read as follows:

“SECTION 109. *Exempt Transactions.* – The following shall be exempt from the value-added tax.

“(a) x x x x x

x x x x x x x

“(m) Educational services rendered by private educational institutions, duly accredited by the Department of Education and the Commission on Higher Education and those rendered by government educational institutions, INCLUDING ALL GOODS PURCHASED AND SERVICES RENDERED TO SAID EDUCATIONAL INSTITUTIONS BY SUPPLIERS AND SERVICE PROVIDERS, RESPECTIVELY.

**SECTION 2. Repealing Clause.** – All laws, presidential decrees, executive and administrative orders, rules and regulations inconsistent

with the provisions of this Act are hereby repealed or modified accordingly.

**SECTION 3. Effectivity Clause.** – This Act shall take effect fifteen (15) days following its publication in a newspaper of general circulation.

Approved,