

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



22 JUL -7 P2 :24

**SENATE**  
S. B. No. 95

RECEIVED BY \_\_\_\_\_

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Introduced by Senator SONNY ANGARA

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**AN ACT**  
**GRANTING FIVE PERCENT (5%) DISCOUNT 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.

Even with the system of scholarship grants and student loan programs provided by the government, not all deserving and underprivileged students get to finish their education because they lack the financial capacity to spend for their basic needs and other expenses related to their studies.

Another challenge faced by these students is the changing landscape in education and learning brought about by the continuing fight against COVID-19. Facing lockdowns and community quarantines, the Department of Education and the Commission on Higher Education implemented distance learning nationwide, to enable the students to continue their education albeit online. The shift to online/distance learning has caused further financial burden to students as they are now required to have specific electronic devices and access to the internet in order to participate in their classes.

Recently, both DepEd and CHED approved the implementation of limited face-to-face classes and online hybrid learning setup<sup>1</sup> which is seen to prompt the students to deal with school expenses related to both face-to-face classes and online learning.

To ease the financial burden of underprivileged students and help them cope with the high cost of education as well as daily school expenses, this measure 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 purchase of books, school supplies and electronics for purposes of participating in online/distance learning. In turn, the discounts granted by establishments to underprivileged students shall be treated as allowable deduction from their gross income.

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

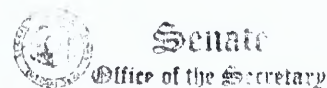


**SONNY ANGARA**  
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<sup>1</sup> <https://www.gmanetwork.com/news/topstories/nation/823703/ched-to-continue-flexible-learning-as-a-policy-for-heis/story/>

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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*  
2     *Students' Discount Act of 2022.*"

3     **Sec. 2. Declaration of Policy.** – It is the policy of the State to prioritize quality  
4     education 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  
6     mean:

7     (a) *Underprivileged Student* refers to a Filipino student enrolled in basic  
8     education, post-secondary non-degree technical-vocational (Tech-Voc)  
9     courses, and those enrolled in bachelor's Degree Programs at the college  
10    level, whose parents have a gross annual income of not more than Two  
11    Hundred Fifty Thousand Pesos (P250,000.00), subject to review by the  
12    National Economic and Development Authority (NEDA) every three years:  
13    *Provided, That* a Filipino student who opts to take part-time jobs to subsidize  
14    the student's education and whose income combined with the annual gross  
15    income of the student's parents do not exceed Two Hundred Fifty Thousand

1 Pesos (P250,000.00), subject to review by the NEDA every three (3) years, is  
2 deemed an Underprivileged Student;

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

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

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

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

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

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

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

30 (d) On Prescribed Electronic Devices for purposes of Online/Distance Learning –  
31 A five percent (5%) discount shall be granted to underprivileged students by  
32 establishments anywhere in the country that sell electronic devices including

1 but not limited to computers, tablets and other electronic devices which may  
2 hereinafter be prescribed: *Provided*, That these establishments may claim  
3 the cost as allowable tax deduction from the gross income in the  
4 computation of the income tax in accordance with the provisions of the NIRC  
5 of 1997, as amended; and

6 (e) On Tuition Fees, Miscellaneous, and Other School Fees – A five percent (5%)  
7 discount shall be granted to underprivileged students by public and private  
8 schools where they are enrolled in, without prejudice to their right to avail  
9 themselves of other educational assistance given by the school and the  
10 government, such as those provided under Republic Act No. 6728, as  
11 amended by Republic Act No. 8545 or the "Government Assistance to  
12 Students and Teachers in Private Education (EGASTPE)", Republic Act No.  
13 9442 or the law amending the "Magna Carta for the Disabled", Republic Act  
14 No. 10687 or the "Unified Student Financial Assistance System for Tertiary  
15 Education (UniFAST)", and Republic Act No. 10931 or the "Universal Access  
16 to Quality Tertiary Education (UAQTE) Act": *Provided*, That the schools may  
17 claim the cost as allowable tax deduction from the gross income in the  
18 computation of the income tax in accordance with the provisions of the NIRC  
19 of 1997, as amended.

20 (f) On Museums, Theaters, and Cultural Events – A five percent (5%) discount  
21 shall be granted to underprivileged students on entrance fees to museums,  
22 theaters, and cultural events sanctioned by the National Commission on  
23 Culture and Arts anywhere in the country: *Provided*, That private museums,  
24 theaters and producers of cultural events may claim the cost as allowable tax  
25 deduction from the gross income in the computation of the income tax in  
26 accordance with the provisions of the NIRC of 1997, as amended.

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

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

4       (a) To plan, implement, and monitor yearly work programs, evaluate and submit  
5       annual reports in pursuance to the objectives of this Act;

6       (b) To screen applicants, receive documentary proof, and identify who are the  
7       eligible underprivileged primary, secondary and college students based on the  
8       provisions of this Act;

9       (c) To closely coordinate with the NEDA in determining the income brackets of  
10       Filipino families for the purpose of identifying underprivileged primary, secondary  
11       and college students, respectively;

12       (d) To issue identification cards which shall be valid anywhere in the country as  
13       proof of the eligibility of the underprivileged primary, secondary and college  
14       students to avail themselves of the discounts;

15       (e) To maintain and regularly update, on a quarterly basis, the list of underprivileged  
16       primary, secondary, and college students who avail themselves of the discounts;

17       (f) To cancel the identification cards issued for those disqualified under Section 5 of  
18       this Act;

19       (g) To provide information to the affected establishments under Section 4 of this Act  
20       for any questions regarding the eligibility of any underprivileged primary,  
21       secondary and college students claiming the discounts through the DepEd and  
22       CHED websites, respectively;

23       (h) To monitor the extent of implementation of this Act and to coordinate with the  
24       concerned agencies regarding the imposition of penalties on violators of this Act;  
25       and

26       (i) To perform such other functions as may be determined by the DepEd Secretary  
27       and CHED Chairperson.

28       **Sec. 7. Role of TESDA.** – The TESDA shall be in charge of determining the  
29       qualified post-secondary tech-voc beneficiaries under this Act through its Office of  
30       Technical-Vocational Education and Training (TVET) Systems Development Office  
31       (TSDO). The TESDA Director-General shall include in the regular functions of the  
32       TSDO the following additional functions:

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

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

29 **Sec. 9. Implementing Rules and Regulations.** – The DepEd, TESDA, and  
30 CHED, in coordination with the NEDA, the Department of Social Welfare and  
31 Development (DSWD), the Department of Health (DOH), the Department of Trade  
32 and Industry (DTI), Department of Finance (DOF), and such other agencies

1 concerned with the establishments which may be affected by this Act, shall issue the  
2 implementing rules and regulations to carry out the objectives of this Act within  
3 thirty (30) days after this law takes effect.

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

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

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

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

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

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

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

*Approved,*