

FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

7 JUL -2 P 1 45

SENATE

RECEIVED BY: 

Senate Bill No. 419

INTRODUCED BY SEN. JINGGOY 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 of 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.

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.

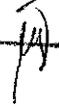
Approval of this bill is earnestly solicited.


JINGGOY EJERCITO ESTRADA
Senator

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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 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 16. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

Approved,