

FIFTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

SENATE
OFFICE OF THE SECRETARY

10 JUL -8 P4:18

SENATE
S. B. 1054

RECEIVED BY: 

Introduced by Senator Villar

EXPLANATORY NOTE

Those who have less in life should have more in law. It is a fact that one of the main problems of the Philippines has to do with the hand-in-hand problem of poverty and hunger.

The primary cause of malnutrition is the inequitable distribution of food. This is aggravated by the fact that the typical Filipino diet is grossly inadequate for energy and other nutrients as poor families try to make do with the scarce money they have to buy food. This situation is unlikely to improve as long as an estimated 28 million Filipinos are unable to buy food to meet basic nutritional requirements.

Poverty in the Philippines is most acute and widespread in rural areas. Comparing poverty incidence nationwide as of 2007, the poverty incidence rate is highest in rural areas which averages at 50.7% while urban areas average at 21.5%.

Poverty and malnutrition are already at alarming levels in this country, and the country's too-rapid population growth is magnifying the strain on limited budgetary resources. The rapidly growing population is jeopardizing the quality of basic social services, contributing to the ongoing decline in quality of basic education, and limiting access to health care (especially primary health care, reproductive health/family planning, immunization, and feeding programs).

For this reason, there needs to be legislation that is geared toward returning to the Filipino people, especially those who have lesser in life, the enforced proportional contributions levied upon people in the form of taxes. Specifically, through the collections emanating from the Value-Added Tax System, because only then can the marginalized sectors of society feel that they are being granted more in law despite the fact that they have lesser in their lives.


MANNY VILLAR

FIFTEENTH CONGRESS OF THE
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**AN ACT
TO ALLEVIATE THE CONDITIONS OF THE MARGINALIZED SECTORS OF
SOCIETY BY PROVIDING A FOOD SUBSIDY PROGRAM.**

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

Section 1. Declaration of policies. – it is hereby declared the policy of
the State:

To promote a just and dynamic social order that will ensure the prosperity
and independence of the nation and free the people from poverty through
policies that provide adequate social services, promote full employment, a rising
standard of living, and an improved quality of life for all.

The Congress shall give highest priority to the enactment of measures that
protect and enhance the right of all the people to human dignity, reduce social,
economic, and political inequities, and remove cultural inequalities by equitably
diffusing wealth and political power for the common good.

In pursuance of these Constitutionally-proscribed policies, the welfare of
the sectors of society that need the most assistance from the government in the
form of subsidies shall be given consideration.

Section 2. Food Subsidy Program. – It is hereby established a FOOD
SUBSIDY PROGRAM in favor of individuals qualified as such under the
parameters set forth by law.

The food subsidy program shall grant to individuals a monthly allowance
to be sourced directly from the collections made through the Value-Added Tax
System.

The following individuals are qualified to receive subsidies as hereunto set
forth by law:

1. A head of the family earning less than One-hundred twenty thousand
pesos (P120,000.00) annually, exclusive of bonuses, overtime pay,
holiday pay, night-shift differential;

A head of the family shall mean an individual who is married or is legally
separated, or whose marriage has been annulled and who has a child or

children in his or her custody; or whose parents are living with him and are dependent on him chiefly for support, regardless of the age of the parents.

2. An individual who is gainfully employed but who is earning less than one-hundred thousand pesos (P100,000) annually, exclusive of bonuses, overtime pay, holiday pay, and night-shift differential.
3. A married couple who earns not more than two-hundred thousand pesos (P200,000.00) annually who has custody of not more than three (3) children.

Provided, that in all the above enumerated instances, the total income of the household, both active and passive, shall not exceed the amounts as stated.

Provided, further, that a family shall get an additional three hundred pesos (P300.00) for every child who logs at least eighty five percent (85%) class attendance in a month. Three children per family can avail of this additional amount.

The food subsidy program shall be available to all individuals or heads of the family all over the Philippines.

The food subsidy program shall consist of monthly allowances amounting to seven hundred pesos (P700.00) per month for an individual or a head of the family; Provided that, within three (3) years from the enactment of this legislation, the administrator of this program shall determine, through public hearing, and in consultation with representatives from the private sector, if the amount should be adjusted to meet the present needs of the families; Provided further, that such amount shall be exempt from taxes.

Section 3. Entitlement to monthly allowances. – The amount so determined earlier to be given to the individual or head of the family shall be given on a monthly basis at the first week of each month.

Individuals qualified to receive the benefits of this law shall apply for inclusion to the same before the administrator of this law. The Administrator, convened as a Board, shall determine whether the individual is entitled to the benefits of this law through presentation by the applicant of the necessary income documents to prove that he comes within the qualifications of the law; Provided, that an individual who cannot produce income documents issued by the employer shall execute an affidavit attesting to the income being received by the individual both monthly and yearly.

The individuals qualified as such shall be entitled to the benefits hereafter from the time of approval of the said application.

If the individual granted the benefits of this program is later on discovered to be receiving income more than the amount so provided for by law, he shall be disqualified from availing of the benefits of this program, and other similar programs, in perpetuity; Provided, that the mere discovery of receiving income more than the provisions of the law shall be conclusive presumption of fraud and deceit employed by the individual.

Section 4. How the benefits of this program are to be received. – The benefits received herein shall be given to the individual by means of a Food

Subsidy Program Card (FSPC) to be given upon determination that he is qualified to avail of these benefits. The FSPC shall be provided by the Land Bank of the Philippines.

The amount so credited to the FSPC may not be withdrawn from its account. The said amount may be used for purposes of electronic payments to the duly-accredited retail establishments herein.

Section 5. Duly-accredited Retail Establishments. – Throughout the Philippines, there shall be registered retail establishments that will provide the needs of the entitled individuals under the food subsidy program.

Within three (3) years from the effectivity of this Act, there shall be established, at least one (1) duly-accredited retail establishment in every barangay in the Philippines; Provided, that after the effectivity of this law, the failure to establish duly-accredited establishments shall not be a hindrance to the enforcement of this Act.

The duly-accredited retail establishments shall provide the basic needs of the individuals entitled hereto, including but not limited to the following purchases:

1. Agricultural produce;
2. Dairy products;
3. Processed food;
4. Noodles (whether processed or not);
5. Others

Provided, that the products aforementioned shall only be sourced throughout the Philippines by the seller of the same, and if possible, within the same barangay, province, city or municipality to provide economic and livelihood opportunities within the community.

The duly-accredited retail establishments may be put up only by Resident Citizens of the Philippines living within the said barangay, province, city or municipality where the same shall be established.

The duly-accredited retail establishments shall not be considered a Corporation for purposes of taxation under the National Internal Revenue Code for the first three (3) years of its operation.

Section 6. Administrator of the Food Subsidy Program. – The National Food Authority shall be the administrator of the food subsidy program.

In convening a Board for the purposes of determining the entitlement of individuals herein, the following shall compose the Board:

- 1) A representative from the National Food Authority in the region where the Board is established;
- 2) A representative from the marginalized sector of society;
- 3) A representative from the Bureau of Internal Revenue;

The Board shall be convened for every region in the Philippines, and shall convene at least once a month, for the purpose of determining the individuals entitled to the benefits of this Act.

The Board shall determine, within three (3) years from the approval of this Act, and every three (3) years thereafter, in consultation with the National Economic Development Authority, if the subsidies to be given should be increased, but at no time shall it be decreased.

Section 7. Repealing Clause. - All laws, orders, decrees, rules and regulations, and other parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Section 8. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,