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SENATE OF THE PHILIPPINES
Pasay City

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Senate Bill No. 60

13 JUL 1987

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INTRODUCED BY SENATOR JUAN EDGARDO "SONNY" M. ANGARA

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, enrolled in both public and private higher education institutions and technical-vocational institutes.

However, not all deserving and underprivileged students who were able to get scholarships, grants or loans get to finish their education because they lack the financial capacity to spend for their basic needs or other expenses related to their schooling.

To ease the financial burden of underprivileged students and help them cope with the high cost of education and daily school expenses, this measure proposes to grant discounts on basic services, such as food, medicine and transportation. Moreover, it also seeks to give them discounts on educational expenses, such as tuition, miscellaneous and other school fees, including books and school supplies.

Considering that we now have a law giving discounts to senior citizens, it is high time that we consider the plight of our underprivileged students who are our nation's future.

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


JUAN EDGARDO "SONNY" M. ANGARA

Introduced by Senator JUAN EDGARDO "SONNY" ANGARA

**AN ACT GRANTING DISCOUNTS ON BASIC AND EDUCATION SERVICES
TO UNDERPRIVILEGED STUDENTS IN THE POST-SECONDARY AND
TERTIARY LEVELS**

*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 Post-
2 Secondary and Tertiary Students' Discount Act of 2013."

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4 **SEC. 2. Declaration of Policy.** It is the policy of the State to prioritize quality education
5 and take appropriate steps to make such education accessible to all.
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7 **SEC. 3. Definition of Terms.** As used in this Act, the following terms shall mean:
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- 9 (a) Underprivileged Post-Secondary and Tertiary Students refer to Filipino students
10 enrolled in post-secondary non-degree technical-vocational (Tech-Voc) courses
11 and those enrolled in Bachelor's Degree Programs at the college level,
12 respectively, whose parents have a gross annual income of not more than One
13 Hundred Thousand Pesos (P100,000.00), subject to review by the National
14 Economic and Development Authority (NEDA) every three years. These also
15 include Filipino students who opt to take part-time jobs to subsidize their education
16 and whose income combined with the annual gross income of their parents do not
17 exceed One Hundred Thousand Pesos (P100,000.00), subject to review by the
18 NEDA every three (3) years;
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20 (b) Discounts refer to an amount deducted or counted off from the cost of goods under
21 basic services and from fees to be collected on education services;
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23 (c) Basic Services refer to basic necessities such as food for snacks and meals and
24 medicines; and
25
26 (d) Education Services refer to education-related expenditures such as tuition,
27 miscellaneous and other school fees, books and school supplies.
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29 **SEC. 4. Discounts for Underprivileged Post-Secondary and Tertiary**
30 **Students.** Underprivileged post-secondary and tertiary students shall be entitled to the
31 following:
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- 33 (a) On Food Establishments. – A five percent (5%) discount shall be granted to
34 underprivileged post-secondary and tertiary students by food establishments such
35 as food chains, canteens and restaurants anywhere in the country: *Provided*, That
36 private food establishments may claim the cost as allowable tax deduction from the
37 gross income in the computation of the income tax in accordance with the
38 provisions of the National Internal Revenue Code of 1997, as amended;
39
40 (b) On Medicines. – A five percent (5%) discount shall be granted to underprivileged
41 post-secondary and tertiary students by pharmacies or drug stores anywhere in
42 the country: *Provided*, That these pharmacies or drug stores may claim the cost as
43 allowable tax deduction from the gross income in the computation of the income

1 tax in accordance with the provisions of the National Internal Revenue Code of
2 1997, as amended;

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4 (c) On Textbooks and School Supplies. – A five percent (5%) discount shall be
5 granted to underprivileged post-secondary and tertiary students by establishments
6 anywhere in the country that sell reference books for technical-vocational
7 education and training and college and school supplies: *Provided*, That these
8 establishments may claim the cost as allowable tax deduction from the gross
9 income in the computation of the income tax in accordance with the provisions of
10 the National Internal Revenue Code of 1997, as amended; and

11
12 (d) On Tuition Fees, Miscellaneous and Other School Fees. - A five percent (5%)
13 discount shall be granted to underprivileged post-secondary and tertiary students,
14 by public and private schools accredited by the Technical Education and Skills
15 Development Authority (TESDA) and the Commission on Higher Education,
16 respectively, where they are enrolled in, without prejudice to their right to avail
17 themselves of other educational assistance given by the school and the
18 government, such as the "Study Now, Pay Later Plan" under Republic Act No.
19 6728, "Discounts to Disabled Students" under R.A. No. 9442 or the law amending
20 the "Magna Carta for the Disabled": *Provided*, That the schools may claim the cost
21 as allowable tax deduction from the gross income in the computation of the income
22 tax in accordance with the provisions of the National Internal Revenue Code of
23 1997, as amended.

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25 **SEC. 5. Limitations.** The discounts granted to an underprivileged post-secondary or
26 tertiary student under this Act may not be availed under the following circumstances -

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28 **1) If the tertiary student:**

- 29
30 (a) fails for one (1) semester in the majority of the academic subjects enrolled in
31 during the course of study, unless such failure is due to some valid cause beyond
32 the student's control;
33 (b) fails to finish the course within two (2) years from the time the student should have
34 graduated;
35 (c) stops schooling for one (1) semester; and
36 (d) is convicted of any crime.

37
38 **2) If the post-secondary student:**

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40 (a) fails in the certificate/diploma course enrolled in, unless such failure is due to some
41 valid cause beyond the student's control;
42 (b) fails to finish the short-term technical-vocational course enrolled in;
43 (c) stops schooling; and
44 (d) is convicted of any crime.

45
46 **SEC. 6. Role of the CHED.** The CHED shall determine the qualified tertiary or college
47 beneficiaries under this Act through its Office of Student Services (OSS). The CHED
48 Chairperson shall include in the regular functions of the OSS the following additional
49 functions:

- 50
51 (a) To plan, implement and monitor yearly work programs, evaluate and submit
52 annual reports in pursuance of the objectives of this Act;
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54 (b) To screen applicants, receive documentary proof, and identify who are the eligible
55 underprivileged tertiary students based on the provisions of this Act;
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57 (c) To closely coordinate with the NEDA in determining the income brackets of Filipino
58 families for the purpose of identifying underprivileged college students;
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60 (d) To issue identification cards which shall be valid anywhere in the country as proof
61 of the eligibility of the underprivileged college students to avail themselves of the
62 discounts;

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- (e) To maintain and regularly update, on a quarterly basis, the list of underprivileged college students who avail themselves of the discount, and to review, evaluate and assess their academic standing;
- (f) To cancel the identification cards issued for those disqualified under Section 5 of this Act;
- (g) To provide information to the affected establishments under Section 4 of this Act for any questions regarding the eligibility of any underprivileged college students claiming the discounts through the CHED website;
- (h) To monitor the extent of implementation of this Act and to coordinate with the concerned agencies regarding the imposition of penalties on violators of this Act; and
- (i) To perform such other functions as may be determined by the CHED Chairperson.

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

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

SEC. 8. Tax Incentives. Discounts granted by establishments to underprivileged post-secondary and tertiary students under this Act shall be treated as allowable deduction from the gross income in the computation of the income tax, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended.

1 **SEC. 9. Implementing Rules and Regulations.** The CHED and TESDA, in
2 coordination with the NEDA, the Department of Social Welfare and Development
3 (DSWD), the Department of Health (DOH), the Department of Trade and Industry
4 (DTI), Department of Finance (DOF), and such other agencies concerned with the
5 establishments which may be affected by this Act, shall issue the implementing rules
6 and regulations to carry out the objectives of this Act within thirty (30) days after this
7 law takes effect.
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9 **SEC. 10. Penalties.** The first violation of any provisions of this Act shall cause the
10 suspension of the license to operate or the business permit of the establishment or
11 person concerned for not less than one (1) week but not more than four (4) weeks and
12 a fine of not less than Twenty Thousand Pesos (P20,000.00) but not more than Fifty
13 Thousand Pesos (P50,000.00).
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15 The second violation of any provisions of this Act shall cause the suspension of the
16 license to operate or the business permit of the establishment or the person concerned
17 for not less than four (4) weeks and a fine of not less than Fifty Thousand Pesos
18 (P50,000.00), but not exceeding Two Hundred Fifty Thousand Pesos (P250,000.00):
19 *Provided, however, that the procedure of notice and hearing shall have been complied*
20 *with prior to the imposition of the said penalties.*
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22 If the offender is a corporation, organization or any similar entity, the officers
23 thereof shall suffer the same penalty imposed on any person found violating this Act.
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25 **SEC. 11. Enforcement.** Pursuant hereto, the DTI, DOH, and local government units
26 (LGUs), in coordination with the CHED and TESDA, shall have the mandate to
27 implement the provisions of this Act. After filing of an appropriate complaint, and after
28 due notice and hearing, the proper authorities may also cause the cancellation or
29 revocation of the business permit, permit to operate, franchise and other similar
30 privileges granted to any business entity that fails to abide by the provisions of this Act.
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32 **SEC. 12. Separability Clause.** If any provision or part thereof is held invalid or
33 unconstitutional, the other sections or provisions thereof shall not be affected thereby,
34 and shall remain in force and effect.
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36 **SEC. 13. Repealing Clause.** All laws, executive orders, decrees, instructions, rules
37 and regulations contrary to or inconsistent with any provision of this Act are hereby
38 amended, repealed or modified accordingly.
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40 **SEC. 14. Effectivity Clause.** This Act shall take effect fifteen (15) days after its
41 publication in the Official Gazette or in a newspaper of general circulation.
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43 *Approved,*