

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



'13 DEC -9 P4 48

SENATE  
S. B. NO. 2006

RECEIVED BY: *[Signature]*

Introduced by Senator Maria Lourdes Nancy S. Binay

EXPLANATORY NOTE

At present, public school teachers receive minimum salary equivalent to salary grade 11, or Php 18,549.00. It is quite unfortunate that our public school teachers who are at the heart of our public school system are not being properly compensated for their hard work and dedication to the practice of their profession.

The proposed bill seeks to grant public school teachers incentives as a means to ease their financial situation and, more importantly, as a form of recognition of their value in the development of our nation. This is consistent with Section 5 (5), Article XIV of the 1987 Philippine Constitution which states:

The State shall assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfillment.

In view of the foregoing, the passage of this bill is earnestly recommended.

*[Signature]*  
MARIA LOURDES NANCY S. BINAY  
Senator

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1 AN ACT GRANTING INCENTIVES TO PUBLIC SCHOOL TEACHERS IN ALL  
2 LEVELS, INCLUDING STATE UNIVERSITIES AND COLLEGES, AND FOR OTHER  
3 PURPOSES  
4

5 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*  
6 *assembled:*  
7

8 **SECTION 1.** *Title.* This Act shall be known as “*Public School Teacher’s Incentives Act of*  
9 *2013.*”  
10

11 **SECTION 2.** *Incentives.* Public school teachers, in all levels, including those in State  
12 colleges and universities, shall be entitled to the following incentives:  
13

14 (a) All allowances and benefits granted to public school teachers shall be  
15 excluded from the computation of gross income, and shall be exempt from  
16 taxation under Republic Act No. 8424, otherwise known as the “National  
17 Internal Revenue Code of 1997”;  
18

19 (b) Twenty percent (20%) discount on the sale of the goods and services on food,  
20 clothing, transportation, medicine, medical services, dental services, and other  
21 basic necessity from all establishments for the exclusive use and enjoyment or  
22 availment of the public school teachers, their children, or spouse. In the  
23 purchase of goods and services which are on promotional discount, the public  
24 school teacher can avail of the establishment's offered discount or the 20%  
25 discount provided herein, whichever is higher and more favorable; and  
26

27 (c) A minimum of five percent (5%) discount relative to the monthly utilization of  
28 water and electricity by households with public school teachers; *provided,* that  
29 the individual meters for the foregoing utilities are registered in the name of  
30 the public school teacher residing therein; *provided,* further, that the monthly  
31 consumption does not exceed one hundred kilowatt hours (100 kWh) of  
32 electricity and thirty cubic meters (30m<sup>3</sup>) of water; *provided,* furthermore, that  
33 the privilege is granted per household regardless of the number of public  
34 school teachers residing therein.  
35

36 **SECTION 3.** *Tax Deduction.* The establishment granting the discount under Section 2 (b)  
37 and (c) hereof may claim the discounts provided as tax deductions based on the cost of the  
38 goods sold or services rendered; *provided,* that the cost of the discount shall be allowed as

1 deduction from the gross income for the same taxable year that the discount is granted;  
2 *provided*, further, that the total amount of the claimed tax deduction net of VAT, if  
3 applicable, shall be included in their gross sales receipts for tax purposes and shall be subject  
4 to proper documentation and to the provisions of the National Internal Revenue Code of  
5 1997, as amended.

6  
7 **SECTION 4. *Implementation.*** The Bureau of Internal Revenue, in consultation with all  
8 relevant government agencies shall issue implementing rules and regulations within ninety  
9 (90) days from effectivity hereof, and such other rules and regulations as may be necessary to  
10 carry out the purpose of this Act.

11  
12 **SECTION 5. *Separability Clause.*** If any portion or provision of this Act is declared void  
13 and unconstitutional, the remaining portions or provisions hereof shall not be affected by  
14 such declaration.

15  
16 **SECTION 6. *Repealing Clause.*** All laws, decrees, orders, rules and regulations, other  
17 issuances, or parts thereof inconsistent with the provisions of this Act are hereby repealed or  
18 modified accordingly.

19  
20 **SECTION 7. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its complete  
21 publication in at least two (2) national newspapers of general circulation.

22  
23 Approved.