

Republic of the Philippine
SENATE OF THE PHILIPPINES
Pasay City

Office of the Secretary

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SIXTEENTH CONGRESS
Second Regular Session

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Senate Bill No. **2385**

INTRODUCED BY SENATOR JUAN EDGARDO "SONNY" M. ANGARA

**AN ACT
GRANTING DISCOUNTS 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, 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 and medicine. 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.


SENATOR SONNY ANGARA

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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 2014.”

3
4 **SEC. 2. Declaration of Policy.** It is the policy of the State to prioritize quality
5 education and take appropriate steps to make such education accessible to all.

6
7 **SEC. 3. Definition of Terms.** As used in this Act, the following terms shall
8 mean:

9
10 (a) *Underprivileged Student* refer to a Filipino student enrolled in basic
11 education, post-secondary non-degree technical-vocational (Tech-Voc)
12 courses, and those enrolled in Bachelor’s Degree Programs at the college
13 level, whose parents have a gross annual income of not more than One
14 Hundred Fifty Thousand Pesos (P150,000.00), subject to review by the
15 National Economic and Development Authority (NEDA) every three years;
16 provided that a Filipino student who opts to take part-time jobs to subsidize
17 the student’s education and whose income combined with the annual gross
18 income of the student’s parents do not exceed One Hundred Fifty Thousand
19 Pesos (P150,000.00), subject to review by the NEDA every three (3) years,
20 is deemed an Underprivileged Student;

21
22 (b) *Discounts* refer to an amount deducted or counted off from the cost of goods
23 under basic services and from fees to be collected on education services;

24
25 (c) *Basic Services* refer to basic necessities such as food for snacks and meals
26 and medicines; and

27
28 (d) *Education Services* refer to education-related expenditures such as tuition,
29 miscellaneous and other school fees, books and school supplies.

30
31 **SEC. 4. Discounts for Underprivileged Students.** Underprivileged students
32 shall be entitled to the following:

33
34 (a) *On Food Establishments.* – A five percent (5%) discount shall be granted to
35 underprivileged students by food establishments such as food chains,
36 canteens and restaurants anywhere in the country: *Provided,* That private
37 food establishments may claim the cost as allowable tax deduction from the

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

3
4 (b) On Medicines. – A five percent (5%) discount shall be granted to
5 underprivileged students by pharmacies or drug stores anywhere in the
6 country: *Provided*, That these pharmacies or drug stores may claim the cost
7 as allowable tax deduction from the gross income in the computation of the
8 income tax in accordance with the provisions of the National Internal
9 Revenue Code (NIRC) of 1997, as amended;

10
11 (c) On Textbooks and School Supplies. – A five percent (5%) discount shall be
12 granted to underprivileged students by establishments anywhere in the
13 country that sell reference books and school supplies: *Provided*, That these
14 establishments may claim the cost as allowable tax deduction from the gross
15 income in the computation of the income tax in accordance with the
16 provisions of the NIRC of 1997, as amended; and

17
18 (d) On Tuition Fees, Miscellaneous and Other School Fees. - A five percent (5%)
19 discount shall be granted to underprivileged students by public and private
20 schools where they are enrolled in, without prejudice to their right to avail
21 themselves of other educational assistance given by the school and the
22 government, such as the "Study Now, Pay Later Plan" under Republic Act
23 No. 6728, "Discounts to Disabled Students" under R.A. No. 9442 or the law
24 amending the "Magna Carta for the Disabled": *Provided*, That the schools
25 may claim the cost as allowable tax deduction from the gross income in the
26 computation of the income tax in accordance with the provisions of the NIRC
27 of 1997, as amended.

28
29 (e) On Museums, Theaters and Cultural Events - A five percent (5%) discount
30 shall be granted to underprivileged students on entrance fees to museums,
31 theaters, and cultural events sanctioned by the National Commission on
32 Culture and Arts anywhere in the country: *Provided*, That private museums,
33 theaters and producers of cultural events may claim the cost as allowable tax
34 deduction from the gross income in the computation of the income tax in
35 accordance with the provisions of the NIRC of 1997, as amended;

36
37
38 **SEC. 5. Limitations.** The DepEd, TESDA and CHED may identify grounds for
39 disqualification of students in availing the aforementioned discounts, in
40 accordance with the implementing rules and regulations of this Act. *Provided*,
41 that these grounds will not defeat the purpose of liberally granting such discounts
42 to underprivileged students.

43
44
45 **SEC. 6. Roles of the DepEd and CHED.** Qualified primary and secondary
46 students, and tertiary or college beneficiaries, shall be determined by the
47 Department of Education (DepEd) and the Commission on Higher Education
48 (CHED), respectively. Both agencies shall have the following functions:

49
50 (a) To plan, implement and monitor yearly work programs, evaluate and submit
51 annual reports in pursuance to the objectives of this Act;

52
53 (b) To screen applicants, receive documentary proof, and identify who are the
54 eligible underprivileged primary, secondary and college students based on
55 the provisions of this Act;

56

- 1
2 (c) To closely coordinate with the NEDA in determining the income brackets of
3 Filipino families for the purpose of identifying underprivileged primary,
4 secondary and college students, respectively;
5
6 (d) To issue identification cards which shall be valid anywhere in the country as
7 proof of the eligibility of the underprivileged primary, secondary and college
8 students to avail themselves of the discounts;
9
10 (e) To maintain and regularly update, on a quarterly basis, the list of
11 underprivileged primary, secondary and college students who avail
12 themselves of the discounts;
13
14 (f) To cancel the identification cards issued for those disqualified under Section
15 5 of this Act;
16
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 primary,
19 secondary and college students claiming the discounts through the DepEd
20 and CHED websites, respectively;
21
22 (h) To monitor the extent of implementation of this Act and to coordinate with the
23 concerned agencies regarding the imposition of penalties on violators of this
24 Act; and
25
26 (i) To perform such other functions as may be determined by the DepEd
27 Secretary and CHED Chairperson.
28

29 **SEC. 7. Role of the TESDA.** The TESDA shall be in charge of determining the
30 qualified post-secondary tech-voc beneficiaries under this Act through its Office
31 of Technical-Vocational Education and Training (TVET) Systems Development
32 Office (TSDO). The TESDA Director-General shall include in the regular
33 functions of the TSDO the following additional functions:
34

- 35 (a) To plan, implement and monitor work programs, evaluate and submit
36 annual reports in pursuance of the objectives of this Act;
37
38 (b) To screen applicants, receive documentary proof, and identify who are the
39 eligible underprivileged post-secondary students based on the provisions of
40 this Act;
41
42 (c) To closely coordinate with the NEDA in determining the income brackets of
43 Filipino families for the purpose of identifying underprivileged post-secondary
44 students;
45
46 (d) To issue identification cards which shall be valid anywhere in the country
47 as proof of the eligibility of the underprivileged post-secondary students to
48 avail themselves of the discounts;
49
50 (e) To maintain and regularly update, on a quarterly basis, the list of
51 underprivileged post secondary students who avail themselves of the discounts
52 and to review, evaluate and assess their academic standing;
53
54 (f) To cancel the identification cards issued for those disqualified under
55 Section 5 of this Act;
56
57 (g) To provide information to the affected establishments under Section 4 of

1 this Act for any questions regarding the eligibility of any underprivileged
2 post-secondary students claiming the discounts through the TESDA
3 website;

4
5 (h) To monitor the extent of implementation of this Act and to coordinate with
6 the concerned agencies regarding the imposition of penalties on violators of
7 this Act; and,

8
9 (i) To perform such other functions as may be determined by the TESDA
10 Director-General in the implementation of this Act.

11
12 **SEC. 8. Tax Incentives.** Discounts granted by establishments to underprivileged
13 students under this Act shall be treated as allowable deduction from the gross
14 income in the computation of the income tax, in accordance with the provisions
15 of the National Internal Revenue Code of 1997, as amended.

16
17 **SEC. 9. Implementing Rules and Regulations.** The DepEd, CHED and
18 TESDA, in coordination with the NEDA, the Department of Social Welfare and
19 Development (DSWD), the Department of Health (DOH), the Department of
20 Trade and Industry (DTI), Department of Finance (DOF), and such other
21 agencies concerned with the establishments which may be affected by this Act,
22 shall issue the implementing rules and regulations to carry out the objectives of
23 this Act within thirty (30) days after this law takes effect.

24
25 **SEC. 10. Penalties.** The first violation of any provisions of this Act shall cause
26 the suspension of the license to operate or the business permit of the
27 establishment or person concerned for not less than one (1) week but not more
28 than four (4) weeks and a fine of not less than Twenty Thousand Pesos
29 (P20,000.00) but not more than Fifty Thousand Pesos (P50,000.00).

30
31 The second violation of any provisions of this Act shall cause the suspension
32 of the license to operate or the business permit of the establishment or the person
33 concerned for not less than four (4) weeks and a fine of not less than Fifty
34 Thousand Pesos (P50,000.00), but not exceeding Two Hundred Fifty Thousand
35 Pesos (P250,000.00); *Provided, however,* that the procedure of notice and
36 hearing shall have been complied with prior to the imposition of the said
37 penalties.

38
39 If the offender is a corporation, organization or any similar entity, the officers
40 thereof shall suffer the same penalty imposed on any person found violating this
41 Act.

42
43 **SEC. 11. Enforcement.** Pursuant hereto, the DepEd, DTI, DOH, and local
44 government units (LGUs), in coordination with the CHED and TESDA, shall have
45 the mandate to implement the provisions of this Act. After filing of an appropriate
46 complaint, and after due notice and hearing, the proper authorities may also
47 cause the cancellation or revocation of the business permit, permit to operate,
48 franchise and other similar privileges granted to any business entity that fails to
49 abide by the provisions of this Act.

50
51 **SEC. 12. Separability Clause.** If any provision or part thereof is held invalid or
52 unconstitutional, the other sections or provisions thereof shall not be affected
53 thereby and shall remain in force and effect.

54
55 **SEC. 13. Repealing Clause.** All laws, executive orders, decrees, instructions,
56 rules and regulations contrary to or inconsistent with any provision of this Act are
57 hereby amended, repealed or modified accordingly.

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

Approved,