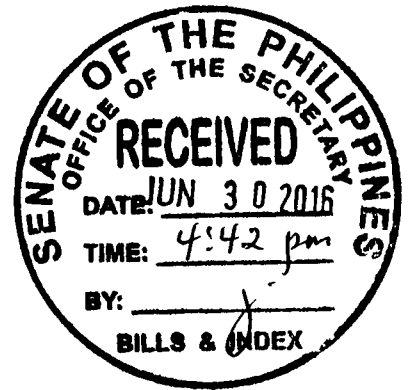


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

S.B. No. 134

Introduced by Senator **SONNY 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.

Even with the system of scholarship grants and student loan programs provided by the government, not all deserving and underprivileged students get to finish their education because they lack the financial capacity to spend for their basic needs and other expenses related to their schooling.

To ease the financial burden of underprivileged students and help them cope with the high cost of education as well as 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.

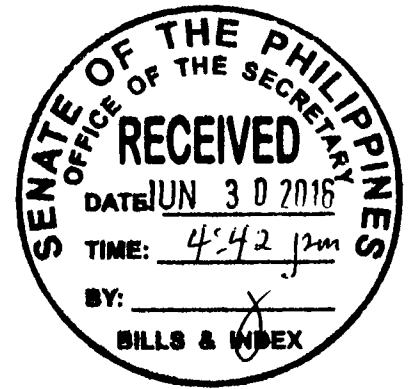
Considering that we now have a law giving discounts to senior citizens, it is high time that we consider the plight of our underprivileged students who are our nation's future.

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

A handwritten signature in black ink, appearing to be 'SONNY ANGARA', written in a cursive style.

SONNY ANGARA

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



SENATE

S.B. No. 134

Introduced by Senator SONNY 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

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 Students'***
2 ***Discount Act of 2016.***"

3
4 **SEC. 2. Declaration of Policy.** It is the policy of the State to prioritize quality education and
5 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 mean:

8
9 (a) *Underprivileged Student* refer to a Filipino student enrolled in basic education, post-
10 secondary non-degree technical-vocational (Tech-Voc) courses, and those enrolled in
11 bachelor's Degree Programs at the college level, whose parents have a gross annual
12 income of not more than One Hundred Fifty Thousand Pesos (P150,000.00), subject to
13 review by the National Economic and Development Authority (NEDA) every three years;
14 *Provided, That* a Filipino student who opts to take part-time jobs to subsidize the student's
15 education and whose income combined with the annual gross income of the student's
16 parents do not exceed One Hundred Fifty Thousand Pesos (P150,000.00), subject to review
17 by the NEDA every three (3) years, is deemed an Underprivileged Student;

18
19 (b) *Discounts* refer to an amount deducted or counted off from the cost of goods under basic
20 services and from fees to be collected on education services;

21
22 (c) *Basic Services* refer to basic necessities such as food for snacks and meals and
23 medicines; and

24

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

3
4 **SEC. 4. Discounts for Underprivileged Students.** Underprivileged students shall be entitled
5 to the following:

6
7 (a) On Food Establishments - A five percent (5%) discount shall be granted to
8 underprivileged students by food establishments such as food chains, canteens and
9 restaurants anywhere in the country: *Provided*, That private food establishments may
10 claim the cost as allowable tax deduction from the gross income in the computation of
11 the income tax in accordance with the provisions of the National Internal Revenue Code
12 (NIRC) of 1997, as amended;

13
14 (b) On Medicines - A five percent (5%) discount shall be granted to underprivileged
15 students by pharmacies or drug stores anywhere in the country: *Provided*, That these
16 pharmacies or drug stores may claim the cost as allowable tax deduction from the gross
17 income in the computation of the income tax in accordance with the provisions of the
18 NIRC of 1997, as amended;

19
20 (c) On Textbooks and School Supplies - A five percent (5%) discount shall be granted to
21 underprivileged students by establishments anywhere in the country that sell reference
22 books and school supplies: *Provided*, That these establishments may claim the cost as
23 allowable tax deduction from the gross income in the computation of the income tax in
24 accordance with the provisions of the NIRC of 1997, as amended; and

25
26 (d) On Tuition Fees, Miscellaneous and Other School Fees - A five percent (5%) discount
27 shall be granted to underprivileged students by public and private schools where they
28 are enrolled in, without prejudice to their right to avail themselves of other educational
29 assistance given by the school and the government, such as the "Unified Student
30 Financial Assistance System for Tertiary Education (UniFAST)" under Republic Act No.
31 10687, "Study Now, Pay Later Plan" under Republic Act No. 6728, "Discounts to
32 Disabled Students" under RA No. 9442 or the law amending the "Magna Carta for the
33 Disabled": *Provided*, That the schools may claim the cost as allowable tax deduction
34 from the gross income in the computation of the income tax in accordance with the
35 provisions of the NIRC of 1997, as amended.

36
37 (e) On Museums, Theaters and Cultural Events - A five percent (5%) discount shall be
38 granted to underprivileged students on entrance fees to museums, theaters, and
39 cultural events sanctioned by the National Commission on Culture and Arts anywhere in
40 the country: *Provided*, That private museums, theaters and producers of cultural events
41 may claim the cost as allowable tax deduction from the gross income in the

1 computation of the income tax in accordance with the provisions of the NIRC of 1997,
2 as amended;

3
4 **SEC. 5. *Limitations.*** The Department of Education (DepEd), Technical Education and Skills
5 Development Authority (TESDA) and Commission on Higher Education (CHED) may identify
6 grounds for disqualification of students in availing the aforementioned discounts, in accordance
7 with the implementing rules and regulations of this Act. *Provided,* That these grounds will not
8 defeat the purpose of liberally granting such discounts to underprivileged students.

9
10 **SEC. 6. *Roles of the DepEd and CHED.*** Qualified primary and secondary students, and
11 tertiary or college beneficiaries, shall be determined by the DepED and CHED, respectively.
12 Both agencies shall have the following functions:

- 13
- 14 (a) To plan, implement and monitor yearly work programs, evaluate and submit annual
15 reports in pursuance to the objectives of this Act;
 - 16
 - 17 (b) To screen applicants, receive documentary proof, and identify who are the eligible
18 underprivileged primary, secondary and college students based on the provisions of this
19 Act;
 - 20
 - 21 (c) To closely coordinate with the NEDA in determining the income brackets of Filipino
22 families for the purpose of identifying underprivileged primary, secondary and college
23 students, respectively;
 - 24
 - 25 (d) To issue identification cards which shall be valid anywhere in the country as proof of the
26 eligibility of the underprivileged primary, secondary and college students to avail
27 themselves of the discounts;
 - 28
 - 29 (e) To maintain and regularly update, on a quarterly basis, the list of underprivileged
30 primary, secondary and college students who avail themselves of the discounts;
 - 31
 - 32 (f) To cancel the identification cards issued for those disqualified under Section 15 of this
33 Act;
 - 34
 - 35 (g) To provide information to the affected establishments under Section 4 of this Act for any
36 questions regarding the eligibility of any underprivileged primary, secondary and college
37 students claiming the discounts through the DepEd and CHED websites, respectively;
 - 38
 - 39 (h) To monitor the extent of implementation of this Act and to coordinate with the concerned
40 agencies regarding the imposition of penalties on violators of this Act; and
41

- 1 (i) To perform such other functions as may be determined by the DepEd Secretary and
2 CHED Chairperson.

3
4 **SEC. 7. Role of the TESDA.** The TESDA shall be in charge of determining the qualified post-
5 secondary tech-voc beneficiaries under this Act through its Office of Technical-Vocational
6 Education and Training (TVET) Systems Development Office (TSDO). The TESDA Director-
7 General shall include in the regular functions of the TSDO the following additional functions:

- 8
9 (a) To plan, implement and monitor work programs, evaluate and submit annual reports in
10 pursuance of the objectives of this Act;

- 11
12 (b) To screen applicants, receive documentary proof, and identify who are the eligible
13 underprivileged post-secondary students based on the provisions of this Act;

- 14
15 (c) To closely coordinate with the NEDA in determining the income brackets of Filipino
16 families for the purpose of identifying underprivileged post-secondary students;

- 17
18 (d) To issue identification cards which shall be valid anywhere in the country as proof of the
19 eligibility of the underprivileged post-secondary students to avail themselves of the
20 discounts;

- 21
22 (e) To maintain and regularly update, on a quarterly basis, the list of underprivileged post-
23 secondary students who avail themselves of the discounts and to review, evaluate and
24 assess their academic standing;

- 25
26 (f) To cancel the identification cards issued for those disqualified under Section 5 of this
27 Act;

- 28
29 (g) To provide information to the affected establishments under Section 4 of this Act for any
30 questions regarding the eligibility of any underprivileged post-secondary students
31 claiming the discounts through the TESDA website;

- 32
33 (h) To monitor the extent of implementation of this Act and to coordinate with the concerned
34 agencies regarding the imposition of penalties on violators of this Act; and

- 35
36 (i) To perform such other functions as may be determined by the TESDA 10 Director-
37 General in the implementation of this Act.

38
39 **SEC. 8. Tax Incentives.** Discounts granted by establishments to underprivileged students
40 under this Act shall be treated as allowable deduction from the gross income in the computation
41 of the income tax, in accordance with the provisions of NIRC of 1997, as amended.

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

7
8 **SEC. 10. *Penalties.*** The first violation of any provisions of this Act shall cause the suspension
9 of the license to operate or the business permit of the establishment or person concerned for
10 not less than one (1) week but not more than four (4) weeks and a fine of not less than Twenty
11 Thousand Pesos (P20,000.00) but not more than Fifty Thousand Pesos (P50,000.00).

12
13 The second violation of any provisions of this Act shall cause the suspension of the
14 license to operate or the business permit of the establishment or the person concerned for not
15 less than four (4) weeks and a fine of not less than Fifty Thousand Pesos (P50,000.00), but not
16 exceeding Two Hundred Fifty Thousand Pesos (P250,000.00): *Provided*, however, That the
17 procedure of notice and hearing shall have been complied with prior to the imposition of the said
18 penalties.

19
20 If the offender is a corporation, organization or any similar entity, the officers thereof
21 shall suffer the same penalty imposed on any person found violating this Act.

22
23 **SEC. 11. *Enforcement.*** Pursuant hereto, the DepEd, DTI, DOH, and local government units
24 (LGUs), in coordination with the CHED and TESDA, shall have the mandate to implement the
25 provisions of this Act. After filing of an appropriate complaint, and after due notice and hearing,
26 the proper authorities may also cause the cancellation or revocation of the business permit,
27 permit to operate, franchise and other similar privileges granted to any business entity that fails
28 to abide by the provisions of this Act.

29
30 **SEC. 12. *Separability Clause.*** If any provision or part thereof is held invalid or unconstitutional,
31 the other sections or provisions thereof shall not be affected thereby and shall remain in force
32 and effect.

33
34 **SEC. 13. *Repealing Clause.*** All laws, executive orders, decrees, instructions, rules and
35 regulations contrary to or inconsistent with any provision of this Act are hereby amended,
36 repealed or modified accordingly.

37
38 **SEC. 14. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its publication in
39 the Official Gazette or in a newspaper of general circulation.

40
41 Approved,