

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



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SENATE

S. No. 1024

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Introduced by Senator Ralph G. Recto

AN ACT
FINANCING THE "EDUCATION FOR ALL INITIATIVES" FROM THE ANNUAL VALUE-ADDED TAX COLLECTIONS, AMENDING FOR THE PURPOSE THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

Explanatory Note

The central role of education in human development is enshrined in the Constitution which affirms that the State shall promote quality education at all levels and shall take appropriate steps to make such education accessible to all Filipino citizens.

The goal to establish and support a complete, adequate, and integrated system of education is however hampered by a budget program that is never enough to cover our yearly educational funding requirements.

This bill proposes to allocate ten percent (10%) of the annual value added tax (VAT) collections to support preschool education; address the classroom shortage in the elementary and secondary levels, and provide scholarship grants to technical education and skills development, and to qualified indigent students enrolled in science and engineering courses.

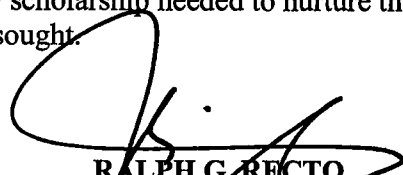
Preschool education is now mandatory under R.A. No. 10157. By allocating funds for the establishment of preschool buildings/classrooms and granting funding support to Government Assistance to Students and Teachers in Private Education (GASTPE) Program for preschool education, the government will address the importance of strengthening early childhood care and development that would equip the children for formal schooling. Support for preschool education enhances competitiveness of the quality of education and improves students' chances of finishing college.

Allocating VAT proceeds for the construction, replacement, rehabilitation and repair of elementary and secondary buildings and classrooms will help address the need to build the 67,849 classroom shortage¹, in order to meet the prescribed classroom-student ratio of 1:45. More funding support is allocated for secondary education than elementary education because there are lesser secondary schools than elementary schools.

Providing scholarship grants to underprivileged students enrolled in natural science and engineering courses will not only address our declining tertiary gross enrollment ratio but will also improve the percentage of tertiary graduates in the said courses which as of SY 2014-2015 is only 11.2% of total graduates².

In order to increase the budgetary support to pre-school education, elementary and secondary school buildings, technical skills and development, and tertiary scholarship needed to nurture the well being of our youth, immediate passage of this bill is earnestly sought.

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RALPH G. RECTO

¹ Source: <http://www.philstar.com/headlines/2015/05/28/1459561/classroom-shortage-awaits-students-monday> (Accessed July 7, 2016)

² Source: Philippine Statistical Yearbook 2015, based on higher education graduates by discipline group, Commission on Higher Education

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Be it enacted by the Senate and the House of Representative of the Philippines in Congress assembled:

1 SECTION 1. A new section, to be numbered two hundred eighty-seven, shall be added to
2 Chapter II, Title XI of the National Internal Revenue Code, as amended to read as follows:

3 "SEC. 287. *DISPOSITION OF PROCEEDS OF VALUE-ADDED TAX.* -
4 TEN PERCENT (10%) OF THE VALUE-ADDED TAX COLLECTED UNDER
5 TITLE IV OF THIS ACT, AS AMENDED, SHALL BE ALLOCATED TO THE
6 FOLLOWING EDUCATION EXPENDITURES AND CORRESPONDING
7 PROPORTIONS:

- 8 1.) THIRTY PERCENT (30%) SHALL BE ALLOCATED FOR THE
9 CONSTRUCTION OF BUILDINGS, CLASSROOMS, TOILETS AND
10 OTHER STRUCTURES FOR PRESCHOOL EDUCATION, TO BE
11 ADMINISTERED BY THE DEPARTMENT OF EDUCATION
12 (DEPED);
- 13 2.) TEN PERCENT (10%) SHALL BE ALLOCATED TO FUND THE
14 GOVERNMENT ASSISTANCE TO STUDENTS AND TEACHERS IN
15 PRIVATE EDUCATION (GASTPE) PROGRAM FOR PRESCHOOL
16 EDUCATION, TO BE ADMINISTERED BY THE DEPARTMENT OF
17 EDUCATION (DEPED);
- 18 3.) TEN PERCENT (10%) SHALL BE ALLOCATED FOR
19 ELEMENTARY EDUCATION FOR THE ACQUISITION AND
20 IMPROVEMENT OF SITES; THE CONSTRUCTION,
21 REPLACEMENT, REHABILITATION AND REPAIR OF
22 BUILDINGS, CLASSROOMS, LIBRARIES, WORKSHOPS, TOILETS
23 AND OTHER STRUCTURES, TO BE ADMINISTERED BY THE
24 DEPARTMENT OF EDUCATION (DEPED);

1 4.) THIRTY PERCENT (30%) SHALL BE ALLOCATED FOR
2 SECONDARY EDUCATION FOR THE ACQUISITION AND
3 IMPROVEMENT OF SITES; THE CONSTRUCTION,
4 REPLACEMENT, REHABILITATION AND REPAIR OF
5 BUILDINGS, CLASSROOMS, LIBRARIES, WORKSHOPS, TOILETS
6 AND OTHER STRUCTURES, TO BE ADMINISTERED BY THE
7 DEPARTMENT OF EDUCATION (DEPED);

8 5.) TEN PERCENT (10%) SHALL BE ALLOCATED FOR
9 SCHOLARSHIP GRANTS FOR TECHNICAL EDUCATION AND
10 SKILLS DEVELOPMENT IN THE DIFFERENT REGIONS, AS
11 PROVIDED FOR IN SECTION 32 OF REPUBLIC ACT NO. 7796, TO
12 BE ADMINISTERED BY THE TECHNICAL EDUCATION AND
13 SKILLS DEVELOPMENT AUTHORITY (TESDA);

14 6.) TEN PERCENT (10%) SHALL BE ALLOCATED FOR
15 SCHOLARSHIP GRANTS FOR QUALIFIED INDIGENT STUDENTS
16 ENROLLED IN SCIENCE AND ENGINEERING COURSES TO BE
17 ADMINISTERED BY THE COMMISSION ON HIGHER
18 EDUCATION (CHED).

19 **SEC. 2.** The succeeding Sections of the National Internal Revenue Code, as amended, are
20 hereby renumbered accordingly.

21 **SEC. 3. *Implementing Rules & Regulations*** – The Department of Budget and Management
22 (DBM), Bureau of Internal Revenue (BIR) and DepEd shall within thirty (30) days from the
23 effectivity of this Act issue the necessary rules and regulations for its effective implementation.

24 **SEC. 4. *Repealing Clause.*** - All laws, decrees, executive orders, rules and regulations, or
25 parts thereof which are inconsistent with this Act are hereby repealed, amended or modified
26 accordingly.

27 **SEC. 5. *Effectivity.*** - This Act shall take effect fifteen (15) days after its complete
28 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,