

Republic of the Philippines
Congress of the Philippines
Metro Manila

Seventeenth Congress

Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-third day of July, two thousand eighteen.



[REPUBLIC ACT NO. 11314]

AN ACT INSTITUTIONALIZING THE GRANT OF
STUDENT FARE DISCOUNT PRIVILEGES ON PUBLIC
TRANSPORTATION AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* – This Act shall be known as the “Student Fare Discount Act”.

SEC. 2. *Declaration of Policy.* – Section 1, Article XIV, of the 1987 Constitution states: “The State shall protect and promote the right of all citizens to quality education at all levels, and shall take appropriate steps to make such education accessible to all”. In addition, Paragraph 3, Section 2 of the same Article directs the State to establish and maintain a system of scholarship grants, student loan programs, subsidies, and other incentives, which shall be available to deserving students in both public and private schools, especially to the underprivileged.

Consistent with these Constitutional mandates, the State shall:

(a) Establish a mechanism that ensures the mandatory grant of a student fare discount privilege;

(b) Enlist the cooperation and support of public transportation utilities in extending assistance to students as a social responsibility through the observance of this privilege; and

(c) Encourage students, particularly the poor and underprivileged, to pursue quality education to secure their future and make them responsible citizens.

SEC. 3. *Definition of Terms.* – As used in this Act:

(a) *Student* refers to any Filipino citizen currently enrolled in a duly authorized elementary, secondary, technical-vocational, or higher education institution. The term does not include those enrolled in post graduate degree courses and informal short-term courses such as dancing, swimming, music and driving lessons and seminar-type courses;

(b) *Public transportation utilities* refer to all Philippine common carriers engaged in the business of carrying or transporting passengers or goods by land, sea/water or air, for compensation, offering their services to the public; and

(c) *Public transportation utility operator* refers to the person or entity granted with a Certificate of Public Convenience by a regulatory agency to operate as a common carrier.

SEC. 4. *Coverage.* – This Act shall cover all public transportation utilities such as, but not limited to, public utility buses (PUBs), public utility jeepneys (PUJs), taxis and other similar vehicles-for-hire, tricycles, passenger trains, aircrafts and marine vessels. The application of this Act does not cover school service, shuttle service, tourist service, and any similar service covered by contract or charter agreement and with valid franchise or permit from the Land Transportation Franchising and Regulatory Board (LTFRB).

The fare discount granted under this Act shall be available during the entire period while the student is enrolled, including weekends and holidays: *Provided*, That, in a case where a promotional fare, as approved by the concerned regulatory agency, is granted by a public transportation utility operator, the student shall have the option to choose between the promotional fare and the regular fare less the discount as provided under this Act.

SEC. 5. *Student Fare Discount Privilege.* – A student under this Act shall be entitled to a grant of twenty percent (20%) discount on domestic regular fares, upon personal presentation of their duly issued school identification cards (IDs) or current validated enrollment form, supported by the prescribed government-issued identification document, subject to an appropriate verification mechanism to be provided in the implementing rules and regulations (IRR): *Provided*, That in the case of air public transportation utilities, the discount shall only apply to the base fare or the price of the ticket before taxes and costs for ancillary services.

SEC. 6. *Prohibition on Availment of Double Discounts.* – The privileges mentioned in this Act shall not be claimed if the student claims a higher discount as may be granted by the public transportation utility, or under other existing laws, or in combination with other discount programs or incentives.

SEC. 7. *Tax Deduction.* – The public transportation utility operator may claim as tax deduction the student fare discount herein granted based on the cost of the services rendered: *Provided*, That the cost of the discount shall be allowed as deduction from gross income for the same taxable year that the discount is granted: *Provided, further*, That the total amount of the tax deduction net of value-added tax, if applicable, shall be included in their gross sales receipts for tax purposes and shall be subject to proper documentation and to the provisions of the National Internal Revenue Code, as amended.

SEC. 8. *Additional Relief or Support for the Public Transportation Utility Operator and Driver.* – The foregoing provision notwithstanding, the appropriate government agencies in charge of regulating the fares, especially for public land transportation, may determine and provide under the IRR of

this Act other alternative ways, such as, but not limited to, reduction or exemption from some regulatory fees and charges, to provide additional relief or support for the benefit of public transportation utility operators, including the drivers, with the end view of mitigating the impact of the discount given.

SEC. 9. *Filing of Complaints.* – A student who is refused the fare discount privilege under this Act may file a complaint with:

(a) The LTFRB for land public transportation utilities, except tricycles;

(b) The Maritime Industry Authority (MARINA) for sea/water public transportation utilities;

(c) The Civil Aeronautics Board (CAB) for air public transportation utilities;

(d) The Legal Service of the Department of Transportation (DOTr) for rail public transportation facilities, including the Manila Light Rail Transit System, the Manila Metro Rail Transit System and the Philippine National Railway System; and

(e) The Office of the Local Chief Executive of the local government unit concerned for tricycles.

These agencies and offices are hereby authorized to impose the penalties provided for in Section 10 of this Act to public transportation utilities that refuse or fail to grant the student fare discount privilege.

SEC. 10. *Penalties.* – After due investigation and finding the complaint against any public transportation utility to be true and valid, the following penalties shall be imposed as herein specified:

(a) For Land Public Transportation Utilities, including tricycles:

The driver shall suffer the penalty of suspension of driver's license for:

- (1) One (1) month for the first offense;
- (2) Two (2) months for the second offense;
- (3) Three (3) months for the third offense; and
- (4) Three (3) months plus a fine of One thousand pesos (P1,000.00) for each subsequent offense.

For the owner or operator of the land public transportation utility: A fine of Five thousand pesos (P5,000.00) for the first offense; a fine of Ten thousand pesos (P10,000.00) and impounding of unit for thirty (30) days for the second offense; and a fine of Fifteen thousand pesos (P15,000.00) and cancellation of Certificate of Public Convenience (CPC) for the third and subsequent offenses.

(b) For Sea/Water Public Transportation Utilities:

The owner or operator of the sea/water public transportation utility responsible for the refusal or failure shall be penalized with a fine of:

- (1) Five thousand pesos (P5,000.00) for the first offense;
- (2) Ten thousand pesos (P10,000.00) for the second offense;
- (3) Twenty thousand pesos (P20,000.00) for the third offense; and
- (4) Additional increments of Ten thousand pesos (P10,000.00) on top of the fine for the third offense for each subsequent offense.

(c) For Air Public Transportation Utilities: A fine of Fifty thousand pesos (P50,000.00) for the first offense; a fine of One hundred thousand pesos (P100,000.00) and a warning for the second offense; and a fine of One hundred fifty thousand pesos (P150,000.00) and other sanctions as may be determined by CAB, for the third and subsequent offenses; and

(d) For Rail Public Transportation Utilities: All rail public transportation utilities are mandated to observe the

aforesaid fare discount privilege and designate a student/senior citizen fare booth in their boarding stations. Violations thereof shall be sanctioned or fined under the existing civil service rules. For privately-operated rail public transportation utilities, the amount of fines prescribed under subparagraph (b) of this section shall apply, to be imposed by the DOTr.

Upon filing of an appropriate complaint, and after due notice and hearing, the proper authorities in subparagraphs (b), (c), and (d), with respect to private railways, of this section may also cause the cancellation or revocation of CPC, permit to operate, franchise, licenses and other privileges granted to the transportation utilities who fail to comply with the provisions of this Act.

SEC. 11. *Use of Falsified Identification Documents and Misrepresentation.* – Any person who avails or attempts to avail of the privileges under this Act through the use of falsified identification documents, fraud or any form of misrepresentation shall be denied said privileges and may be subject to civil and penal liabilities prescribed by law.


SEC. 12. *Implementing Rules and Regulations (IRR).* – Within ninety (90) days from the effectivity of this Act, the LTFRB for land transport, MARINA for sea/water transport, CAB for air transport and the DOTr for rail transport shall respectively promulgate the IRR covering their sectors, taking into consideration the government central identification platform, in consultation with the Department of the Interior and Local Government, Department of Finance, Bureau of Internal Revenue, Department of Education, Commission on Higher Education, Technical Education and Skills Development Authority, Philippine Statistics Authority, other concerned government agencies, public transportation utility operators and stakeholders.

SEC. 13. *Separability Clause.* – If any portion or provision of this Act is declared invalid or unconstitutional, the provisions not affected thereby shall remain in full force and effect.

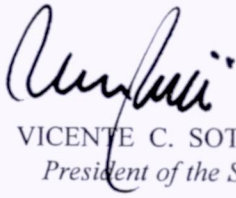
SEC. 14. *Repealing Clause.* – All laws, decrees, executive orders, proclamations, rules and regulations, and other issuances or parts thereof that are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

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

Approved,

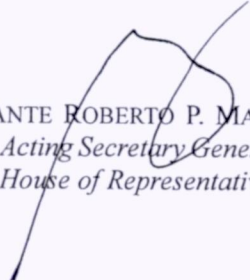


GLORIA MACAPAGAL-ARROYO
*Speaker of the House
of Representatives*




VICENTE C. SOTTO III
President of the Senate

This Act which is a consolidation of Senate Bill No. 1597 and House Bill No. 8885 was passed by the Senate of the Philippines and the House of Representatives on February 6, 2019 and February 7, 2019, respectively.




DANTE ROBERTO P. MALING
*Acting Secretary General
House of Representatives*



MYRA MARIE D. VILLARICA
Secretary of the Senate

Approved: **APR 17 2019**

RODRIGO ROA DUTERTE
President of the Philippines

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