



HOUSE OF REPRESENTATIVES

H. No. 4373

BY REPRESENTATIVES TEODORO, ANGARA, CASIÑO, ONG, PICHAY AND
SARMIENTO (C.), PER COMMITTEE REPORT NO. 732

AN ACT GRANTING DISCOUNTS ON BASIC AND EDUCATION SERVICES TO UNDERPRIVILEGED STUDENTS IN THE POST-SECONDARY AND TERTIARY LEVELS

*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
2 “Underprivileged Post-Secondary and Tertiary Students’ Discount Act of
3 2011”.

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

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

9 (a) *Underprivileged Post-Secondary and Tertiary Students* refer to
10 Filipino students enrolled in post-secondary nondegree technical-vocational
11 (Tech-Voc) courses and those enrolled in Bachelor’s Degree Programs at the
12 college level, respectively, whose parents have a gross annual income of not
13 more than One hundred thousand pesos (P100,000.00), subject to review by
14 the National Economic and Development Authority (NEDA) every three (3)
15 years. These also include Filipino students who opt to take part-time jobs to

1 subsidize their education and whose income combined with the annual gross
2 income of their parents do not exceed One hundred thousand pesos
3 (P100,000.00), subject to review by the NEDA every three (3) years.

4 (b) *Discounts* refer to an amount deducted or counted off from the cost
5 of goods under basic services and from fees to be collected on education
6 services.

7 (c) *Basic services* refer to the basic necessities such as food for snacks
8 and meals and medicines.

9 (d) *Education services* refer to education-related expenditures such as
10 tuition, miscellaneous and other school fees, books and school supplies.

11 SEC. 4. *Discounts for Underprivileged Post-Secondary and Tertiary*
12 *Students.* – Underprivileged post-secondary and tertiary students shall be
13 entitled to the following:

14 (a) On Food Establishments. – A five percent (5%) discount shall be
15 granted to underprivileged post-secondary and tertiary students by food
16 establishments such as food chains, canteens and restaurants anywhere in the
17 country: *Provided*, That private food establishments may claim the cost as
18 allowable tax deduction from the gross income in the computation of the
19 income tax in accordance with the provisions of the National Internal Revenue
20 Code of 1997, as amended;

21 (b) On Medicines. – A five percent (5%) discount shall be granted to
22 underprivileged post-secondary and tertiary students by pharmacies or drug
23 stores anywhere in the country: *Provided*, That these pharmacies or drug
24 stores may claim the cost as allowable tax deduction from the gross income in
25 the computation of the income tax in accordance with the provisions of the
26 National Internal Revenue Code of 1997, as amended;

27 (c) On Textbooks and School Supplies. – A five percent (5%)
28 discount shall be granted to underprivileged post-secondary and tertiary

1. subsidize their education and whose income combined with the annual gross
2 income of their parents do not exceed One hundred thousand pesos
3 (P100,000.00), subject to review by the NEDA every three (3) years.

4 (b) *Discounts* refer to an amount deducted or counted off from the cost
5 of goods under basic services and from fees to be collected on education
6 services.

7 (c) *Basic services* refer to the basic necessities such as food for snacks
8 and meals and medicines.

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15 granted to underprivileged post-secondary and tertiary students by food
16 establishments such as food chains, canteens and restaurants anywhere in the
17 country: *Provided*, That private food establishments may claim the cost as
18 allowable tax deduction from the gross income in the computation of the
19 income tax in accordance with the provisions of the National Internal Revenue
20 Code of 1997, as amended;

21 (b) *On Medicines*. – A five percent (5%) discount shall be granted to
22 underprivileged post-secondary and tertiary students by pharmacies or drug
23 stores anywhere in the country: *Provided*, That these pharmacies or drug
24 stores may claim the cost as allowable tax deduction from the gross income in
25 the computation of the income tax in accordance with the provisions of the
26 National Internal Revenue Code of 1997, as amended;

27 (c) *On Textbooks and School Supplies*. – A five percent (5%)
28 discount shall be granted to underprivileged post-secondary and tertiary

1 students by establishments anywhere in the country that sell reference books
2 for Tech-Voc education and training and college and school supplies:
3 *Provided*, That these establishments may claim the cost as allowable tax
4 deduction from the gross income in the computation of the income tax in
5 accordance with the provisions of the National Internal Revenue Code of 1997,
6 as amended; and

7 (d) On Tuition Fees, Miscellaneous and Other School Fees. – A five
8 percent (5%) discount shall be granted to underprivileged post-secondary and
9 tertiary students by the public and private schools accredited by the Technical
10 Education and Skills Development Authority (TESDA) and the Commission
11 on Higher Education (CHED), respectively, where they are enrolled in, without
12 prejudice to their right to avail themselves of other educational assistance
13 given by the school and the government, such as the “Study Now, Pay Later
14 Plan” under Republic Act No. 6728, “Discounts to Disabled Students” under
15 Republic Act No. 9442 or the law amending the “Magna Carta for Disabled
16 Persons”: *Provided*, That these schools may claim the cost as allowable tax
17 deduction from the gross income in the computation of the income tax in
18 accordance with the provisions of the National Internal Revenue Code of 1997,
19 as amended.

20 SEC. 5. *Limitations*. – The discounts granted to an underprivileged
21 post-secondary or tertiary student under this Act may not be availed under the
22 following circumstances:

23 (a) If the tertiary student:

24 (1) fails for one (1) semester in the majority of the academic subjects
25 enrolled in during the course of the study, unless such failure is due to some
26 valid cause beyond the student’s control;

27 (2) fails to finish the course within two (2) years from the time the
28 student should have graduated;

1 (3) stops schooling for one (1) semester; and

2 (4) is convicted of any crime.

3 (b) If the post-secondary student:

4 (1) fails in the certificate/diploma course enrolled in, unless such
5 failure is due to some valid cause beyond the student's control;

6 (2) fails to finish the short-term technical-vocational course enrolled in;

7 (3) stops schooling; and

8 (4) is convicted of any crime.

9 SEC. 6. *Role of the CHED.* – The CHED shall determine the qualified
10 tertiary or college beneficiaries under this Act through its Office of Student
11 Services (OSS). The CHED Chairperson shall include in the regular functions
12 of the OSS the following additional functions:

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

15 (b) To screen applicants, receive documentary proof, and identify who
16 are the eligible underprivileged tertiary students based on the provisions of this
17 Act;

18 (c) To closely coordinate with the NEDA in determining the income
19 brackets of Filipino families for the purpose of identifying underprivileged
20 college students;

21 (d) To issue identification cards which shall be valid anywhere in the
22 country as proof of the eligibility of the underprivileged college students to
23 avail themselves of the discounts;

24 (e) To maintain and regularly update, on a quarterly basis, the list of
25 underprivileged college students who avail themselves of the discounts and to
26 review, evaluate and assess their academic standing;

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

1 (g) To provide information to the affected establishments under Section
2 4 of this Act for any questions regarding the eligibility of any underprivileged
3 college student claiming the discounts through the CHED website;

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

7 (i) To perform such other functions as may be determined by the
8 CHED Chairperson.

9 SEC. 7. *Role of the TESDA.* – The TESDA shall be in charge of
10 determining the qualified post-secondary Tech-Voc beneficiaries under this
11 Act through its Office of Technical-Vocational Education and Training
12 (TVET) Systems Development Office (TSDO). The TESDA Director-General
13 shall include in the regular functions of the TSDO the following additional
14 functions:

15 (a) To plan, implement and monitor work programs, evaluate and
16 submit annual reports in pursuance of the objectives of this Act;

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

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

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

26 (e) To maintain and regularly update, on a quarterly basis, the list of
27 underprivileged college students who avail themselves of the discounts and to
28 review, evaluate and assess their academic standing;

1 (f) To cancel the identification cards issued for those disqualified
2 under Section 5 of this Act;

3 (g) To provide information to the affected establishments under Section
4 4 of this Act for any questions regarding the eligibility of any underprivileged
5 post-secondary student claiming the discounts through the TESDA website;

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

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

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

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

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

1 The second violation of any provision of this Act shall cause the
2 suspension of the license to operate or the business permit of the establishment
3 or the person concerned for not less than four (4) weeks and a fine of not less
4 than Fifty thousand pesos (P50,000.00) but not exceeding Two hundred fifty
5 thousand pesos (P250,000.00): *Provided, however,* That the procedure of
6 notice and hearing shall have been complied with prior to the imposition of the
7 said penalties.

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

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

18 SEC. 12. *Separability Clause.* – If any provision or part hereof is held
19 invalid or unconstitutional, the other sections or provisions hereof shall not be
20 affected thereby and shall remain in force and effect.

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

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

Approved,