



## HOUSE OF REPRESENTATIVES

H. No. 5902

---

BY REPRESENTATIVES CRUZ-GONZALES, ANGARA-CASTILLO, TEODORO, ROMULO, UMALI (C.), ESCUDERO, PIAMONTE, CORTUNA, RODRIGUEZ (R.), MAGSAYSAY, ROQUE, ALMONTE, GULLAS, BELMONTE (V.), LAGDAMEO (M.), SUANSING, GARIN (S.), NOEL, ALVAREZ (M.), NOGRALES, QUIMBO, TAMBUNTING, CO, BATOCABE, TEJADA, ZAMORA (R.), HICAP, TY, GO (A.C.), FLORES, CHIPECO AND DE VENECIA, PER COMMITTEE REPORT NO. 793

---

### AN ACT GRANTING DISCOUNTS ON BASIC AND EDUCATIONAL SERVICES TO UNDERPRIVILEGED HIGHER AND TECHNICAL EDUCATION STUDENTS

*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 Higher and Technical Education Students’ Discounts Act”.

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

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

7           (a) *Basic services* refer to basic necessities such as food for snacks  
8 and meals, and medicines;

1 (b) *Discounts* refer to an amount deducted or counted off from the  
2 cost of goods under basic and educational services;

3 (c) *Educational services* refer to education-related expenditures such  
4 as books and school supplies; and

5 (d) *Underprivileged higher and technical education students* refer to  
6 Filipino students enrolled in bachelor's degree programs at the college level  
7 and post-secondary nondegree technical-vocational courses, respectively,  
8 including beneficiaries of the Conditional Cash Transfer or Pantawid  
9 Pamilyang Pilipino Program (4Ps) and other poverty reduction programs of  
10 the Department of Social Welfare and Development (DSWD), whose parents  
11 have a gross annual income of not more than three hundred thousand pesos  
12 (P300,000.00), subject to review by the National Economic and Development  
13 Authority (NEDA) every three (3) years. These also include Filipino students  
14 who opt to take part-time jobs to subsidize their education and whose income  
15 combined with the annual gross income of their parents do not exceed three  
16 hundred thousand pesos (P300,000.00), subject to review by the NEDA every  
17 three (3) years.

18 SEC. 4. *Discounts for Underprivileged Higher and Technical*  
19 *Education Students.* – Underprivileged higher and technical education  
20 students shall be entitled to discounts on the following:

21 (a) Food establishments – A five percent (5%) discount shall be  
22 granted by food establishments such as food chains, canteens and restaurants  
23 anywhere in the country;

24 (b) Medicines – A five percent (5%) discount shall be granted by  
25 pharmacies or drug stores anywhere in the country; and

26 (c) Textbooks and school supplies – A five percent (5%) discount  
27 shall be granted by establishments anywhere in the country that sell reference

1 books for technical-vocational education and training and college and school  
2 supplies.

3 SEC. 5. *Limitations.* – The discounts granted to an underprivileged  
4 higher and technical education student under this Act shall be discontinued  
5 under the following circumstances:

6 (a) If the student fails for one (1) semester in the majority of the  
7 academic subjects enrolled in during the course of study under a degree  
8 program or if the student fails in the nondegree certificate/diploma course  
9 enrolled in, unless such failure is due to some valid cause beyond the  
10 student's control, as determined by the Commission on Higher Education  
11 (CHED) or the Technical Education and Skills Development Authority  
12 (TESDA);

13 (b) If the student fails to finish the short-term nondegree course  
14 enrolled in;

15 (c) If the student stops schooling; and

16 (d) If the student is convicted of any crime.

17 SEC. 6. *Roles of the CHED and the TESDA.* – The CHED and the  
18 TESDA shall determine the qualified higher and technical education student-  
19 beneficiaries under this Act and shall perform the following additional  
20 functions:

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

23 (b) To screen applicants, receive documentary proof, and identify who  
24 are the eligible underprivileged higher and technical education students based  
25 on the provisions of this Act;

26 (c) To closely coordinate with the NEDA in determining the income  
27 brackets of Filipino families for the purpose of identifying underprivileged  
28 higher and technical education students;

1 (d) To closely coordinate with the DSWD as to its poverty reduction  
2 programs, which can be used as additional reference on the identification of  
3 potential beneficiaries for the discounts;

4 (e) To issue identification cards which shall be valid anywhere in the  
5 country as proof of the eligibility of the underprivileged higher and technical  
6 education students to avail themselves of the discounts;

7 (f) To maintain and regularly update, on a quarterly basis, the list of  
8 underprivileged higher and technical education students who avail themselves  
9 of the discounts and to review, evaluate and assess their academic standing;

10 (g) To cancel the identification cards issued for those disqualified  
11 under Section 5 of this Act;

12 (h) To provide information to the affected establishments under  
13 Section 4 of this Act for any question regarding the eligibility of any  
14 underprivileged tertiary education student claiming the discounts through the  
15 CHED or the TESDA website;

16 (i) To monitor the extent of the implementation of this Act and to  
17 coordinate with the concerned agencies regarding the imposition of penalties  
18 on violators of this Act; and

19 (j) To perform such other functions as may be determined by the  
20 CHED Chairperson or the TESDA Director-General.

21 *SEC. 7. Tax Incentives.* – Discounts granted by establishments to  
22 underprivileged higher and technical students under this Act shall be treated  
23 as allowable deduction from the gross income in the computation of the  
24 income tax, in accordance with the provisions of the National Internal  
25 Revenue Code of 1997, as amended.

26 *SEC. 8. Penalties.* – The first violation of any provision of this Act  
27 shall cause the suspension of the license to operate or the business permit of  
28 the establishment or person concerned for not less than one (1) week but not

1 more than four (4) weeks and a fine of not less than twenty thousand pesos  
2 (P20,000.00) but not more than fifty thousand pesos (P50,000.00).

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

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

13 *SEC. 9. Implementing Rules and Regulations.* – Within sixty (60)  
14 days upon the effectivity of this Act, the CHED and the TESDA, in  
15 coordination with the NEDA, the DSWD, the Department of Health (DOH),  
16 the Department of Trade and Industry (DTI), the Department of Finance  
17 (DOF), and other agencies concerned with establishments or businesses which  
18 may be affected by this Act, shall issue the implementing rules and  
19 regulations to carry out the objectives of this Act.

20 *SEC. 10. Enforcement.* – Pursuant hereto, the DTI, the DOH and the  
21 local government units (LGUs), in coordination with the CHED and the  
22 TESDA, shall have the mandate to implement the provisions of this Act.  
23 After filing of an appropriate complaint, and after due notice and hearing, the  
24 proper authorities may also cause the cancellation or revocation of the  
25 business permit, permit to operate, franchise and other similar privileges  
26 granted to any business entity that fails to abide by the provisions of this Act.

1           SEC. 11. *Separability Clause.* – If any provision or part hereof is held  
2   invalid or unconstitutional, the other sections or provisions not affected  
3   thereby shall remain in force and effect.

4           SEC. 12. *Repealing Clause.* – All laws, executive orders, decrees,  
5   instructions, rules and regulations contrary to or inconsistent with any  
6   provision of this Act are hereby amended, repealed or modified accordingly.

7           SEC. 13. *Effectivity.* – This Act shall take effect fifteen (15) days  
8   after its publication in the *Official Gazette* or in a newspaper of general  
9   circulation.

          Approved,

○