EXPLANATORY NOTE

The members of the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP) ensure the peace and security of our nation and safety of every Filipino. They often face high-risk environments to address security threats even with limited capabilities and meager budget support. They put their lives on the line in the performance of their duty. Given their service and sacrifices, they deserve not only the praises, but also the additional benefits.

As recognition and gratitude to their sacrifices, this bill seeks to provide a twenty percent (20%) discount privilege on the sale of goods and services for the active members of the AFP and the PNP. This measure would also benefit the dependents and families of our soldiers and police. It is hoped that through this bill, we will boost the morale of our security forces and help them to do better in their work.

In view of the foregoing, approval of this bill is earnestly sought.

MANUEL DG. CABOCHAN III
Representative
Magdalo Para Sa Pilipino Party-List
REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 6627

Introduced by MAGDALO Party-List Representative
HON. MANUEL DG. CABOCHAN III

AN ACT
PROVIDING FOR A TWENTY PERCENT (20%) DISCOUNT PRIVILEGE ON THE
SALE OF GOODS AND SERVICES FOR ACTIVE MEMBERS OF THE ARMED
FORCES OF THE PHILIPPINES (AFP) AND THE PHILIPPINE NATIONAL
POLICE (PNP)

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

SECTION 1. Short Title. – This Act shall be known as the “AFP-PNP Discount
Privilege Act.”

SEC. 2. Declaration of Policy. – It is the policy of the State to strengthen the
nationalist consciousness of the military and police personnel, develop professionalism and
patriotism among the members of the armed forces and the police force, and provide them
adequate remuneration and benefits.

SEC. 3. Discount Privilege. – Members of the Armed Forces of the Philippines
(AFP) and Philippine National Police (PNP) are entitled to twenty percent (20%) discount
and exemption from the value-added tax (VAT), if applicable, on the following sale of goods
and services for their exclusive use and enjoyment or availment:

(a) Fare on domestic air and sea travel based on the actual fare, advanced booking
and other similar discounted fare;

(b) Actual fare for land transportation travel in public utility buses, jeepsneys, taxis,
shuttle services and public railways, light rail transit, mass rail transit, and any
transportation fare for domestic transport of passengers by air or sea vessels;

(c) Utilization of services in hotels and similar lodging establishments, restaurants
and recreation centers;
(d) Admission fees charged by theaters, cinema houses and concert halls, circuses, carnivals and other similar places of culture, leisure and amusement; and

(e) Purchase of medicines in all drugstores.

The discount privileges may not be claimed if the member of the AFP or PNP claims a higher discount as may be granted by the establishment or under other existing laws or in combination with other discount programs.

SEC. 4. Qualified Beneficiary. Only members of the AFP and PNP who are in active service, are entitled to the benefits under this Act. Military and police reservists are not eligible to enjoy the benefits provided under this Act unless the reservists are called upon to serve in active duty.

SEC. 5. Availment. – Members of the AFP and PNP may avail of the twenty percent (20%) discount upon presentation of a valid identification card, AFP or PNP booklets and other supporting documents duly issued by the Department of National Defense or Philippine National Police.

SEC. 6. Tax Deduction. – The companies and establishments that extend the discount privilege under this Act to the members of the AFP and PNP shall be allowed to claim the discounts granted as tax deductions based on the net cost of the goods sold or services rendered: Provided, That the cost of the discount shall be allowed as deduction for the gross income for the same taxable year that the discount is granted: Provided, further, That the total amount of the claimed tax deduction net of value-added tax, if applicable, shall be included in their gross sales receipts for the purposes subject to proper documentation and to provisions of the National Internal Revenue Code, as amended.

SEC. 7. Penalties. – Any person who refuses to grant the twenty percent (20%) discount privilege mentioned under this Act shall be punished with the following penalties:

(a) Imprisonment of not less than two (2) years but not more than six (6) years and a fine of not less than Fifty thousand pesos (P50,000.00) but not more than One hundred thousand pesos (P100,000.00) for the first violation;

(b) For any subsequent violation, imprisonment of not less than two (2) years but not more than six (6) years and a fine of not less than One hundred thousand pesos (P100,000.00) but not more than Two hundred thousand pesos (P200,000.00)

Any member of the AFP and PNP who abuses the privileges granted under this Act shall be punished with imprisonment of not less than six (6) months and a fine of not less than Fifty thousand pesos (P50,000.00) but not more than One thousand pesos (P100,000.00).

If the offender is a corporation, partnership, organization or any similar entity, the officials thereof directly involved such as the president, general manager, managing partner,
or such other officers charged with the management of the business affairs shall be liable therefor. If the offender is an alien or a foreigner, the offender shall be deported immediately after service of sentence.

Upon filing of an appropriate complaint, and after due notice and hearing, the proper authorities may also cause the cancellation or revocation of the business permit, permit to operate, franchise and other similar privileges granted to any person, establishment or business entity that fails to abide by the provisions of this Act.

SEC. 8. Implementing Rules and Regulations. – Within sixty (60) days from the approval of this Act, the Secretary of National Defense and the Secretary of the Interior and Local Government shall promulgate the pertinent rules and regulations for the effective implementation of this Act.

SEC. 9. Repealing Clause. – All laws, presidential decrees, executive orders, and rules and regulations or part thereof, contrary to or inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

SEC. 10. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,