Article XIV, Section 1 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."

The Free Tuition Law is a step towards this constitutional mandate. It especially alleviates the burden of poor Filipinos to provide education for their children. But for most families, there are still out-of-pocket expenses to make ends meet.

According to the Commission on Higher Education, tuition fees make up a mere 30 to 40 percent of a family’s out-of-pocket expenses. The bigger shares of daily expenses allotted by Filipino families for their children are for food, medicine, transportation, school supplies and miscellaneous fees. This is a huge financial constraint particularly for the poor.

Hence, this measure seeks to grant underprivileged students discounts on commodities such as food, medicine and school supplies. The discounts on the essential needs of students would help ease the financial burden of poor families. This also aims to encourage Filipino families to send their children to school without the constant worry of limited financial resources. This is part of providing favorable conditions for education to be truly accessible to every Filipino.

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

MANUEL DG. CABOCHAN III
Representative
Magdalo Para Sa Pilipino Party-List
AN ACT
GRANTING DISCOUNTS ON BASIC AND EDUCATION SERVICES TO
UNDERPRIVILEGED STUDENTS IN ALL LEVELS, INCLUDING THOSE
ENROLLED IN TECHNICAL-VOCATIONAL (TECH-VOC) INSTITUTIONS

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

SECTION 1. Short Title.— This Act shall be known as the “Underprivileged Students’ Discount Act”.

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

SEC. 3. Definition of Terms. — For this purpose of this Act:

(a) Underprivileged Student refers to a Filipino student enrolled in basic education, post-secondary non-degree technical-vocational (Tech-Voc) courses, and those enrolled in bachelor’s Degree Programs at the college level, whose parents have a gross annual income of not more than One Hundred Fifty Thousand Pesos (P150,000.00), subject to review by the National Economic and Development Authority (NEDA) every three years: Provided, that a Filipino student who opts to take part-time jobs to subsidize the student’s education and whose income combined with the annual gross income of the student’s parents do not exceed One Hundred Fifty Thousand Pesos (P150,000.00), subject to review by the NEDA every three (3) years, is deemed an Underprivileged Student;

(b) Discounts refer to an amount deducted or counted off from the cost of goods under basic services and from fees to be collected on education services;
(c) *Basic Services* refer to basic necessities such as food for snacks and meals and medicines; and

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

**SEC. 4. Discounts for Underprivileged Students.** – Underprivileged students shall be entitled to the following:

(a) On Food Establishments – A five percent (5%) discount shall be granted to underprivileged students by food establishments such as food chains, canteens and restaurants anywhere in the country: *Provided*, that private food establishments may claim the cost as allowable tax deduction from the gross income in the computation of the income tax in accordance with the provisions of the National Internal Revenue Code (NIRC) of 1997, as amended;

(b) On Medicines – A five percent (5%) discount shall be granted to underprivileged students by pharmacies or drug stores anywhere in the country: *Provided*, that these pharmacies or drug stores may claim the cost as allowable tax deduction from the gross income in the computation of the income tax in accordance with the provisions of the NIRC of 1997, as amended;

(c) On Textbooks and School Supplies – A five percent (5%) discount shall be granted to underprivileged students by establishments anywhere in the country that sell reference books and schools supplies: *Provided*, that these establishments may claim the cost as allowable tax deduction from the gross income in the computation of the income tax in accordance with the provisions of the NIRC of 1997, as amended;

(d) On Tuition Fees, Miscellaneous, and Other School Fees – A five percent (5%) discount shall be granted to underprivileged students by public and private schools where they are enrolled in, without prejudice to their right to avail themselves of other educational assistance given by the school and the government, such as those provided under Republic Act No. 6728, as amended by Republic Act No. 8545 or the “Government Assistance to Students and Teachers in Private Education (EGASTPE)”, Republic Act No. 9442 or the law amending the “Magna Carta for the Disabled”, Republic Act No. 10687 or the “Unified Student Financial Assistance System for Tertiary Education (UniFAST)”, and Republic Act No. 10931 or the “Universal Access to Quality Tertiary Education (UAQTE) Act”: *Provided*, that the schools may claim the cost as allowable tax deduction from the gross income in the computation of the income tax in accordance with the provisions of the NIRC of 1997, as amended; and
(e) On Museums, Theaters and Cultural Events – A five percent (5%) discount shall be
granted to underprivileged students on entrance fees to museums, theaters, and
cultural events sanctioned by the National Commission on Culture and Arts anywhere
in the country: Provided, that private museums, theaters and producers of cultural
events may claim the cost as allowable tax deduction from the gross income in the
computation of the income tax in accordance with the provisions of the NIRC of
1997, as amended.

SEC. 5. Limitations. – The Department of Education (DepEd), Technical Education
and Skills Development Authority (TESDA) and Commission on Higher Education (CHED)
may identify grounds for disqualification of students in availing the aforementioned
discounts, in accordance with the implementing rules and regulations of this Act: Provided,
that these grounds will not defeat the purpose of liberally granting such discounts to
underprivileged students.

SEC. 6. Role of DepEd and CHED. – Qualified primary and secondary students and
tertiary or college beneficiaries, shall be determine by DepEd and CHED, respectively. These
agencies shall have the following functions:

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

(b) To screen applicants, receive documentary proof and identify who are the eligible
underprivileged primary, secondary and college students based on the provisions of
this Act;

(c) To closely coordinate with the NEDA in determining the income brackets of Filipino
families for the purpose of identifying underprivileged primary, secondary and
college students, respectively;

(d) To issue identification cards which shall be valid anywhere in the country as proof of
the eligibility of the underprivileged primary, secondary and college students to avail
themselves of the discounts;

(e) To maintain and regularly update, on a quarterly basis, the list of underprivileged
primary, secondary and college students who avail themselves of the discounts;

(f) To provide information to the affected establishments under Section 4 of this Act for
any questions regarding the eligibility of any underprivileged primary, secondary and
college students claiming the discounts through the DepEd and CHED websites,
respectively;

(g) To monitor the extent of implementation of this Act and to coordinate with the
concerned agencies regarding the imposition of penalties on violators of this Act; and
(h) To perform such other functions as may be determine by the Secretary of the DepEd and Chairperson of CHED.

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

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

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

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

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

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

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

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

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

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

SEC. 8. Tax Incentives. – Discounts granted by establishments to underprivileged students under this Act shall be treated as allowable deduction from the gross income in the
computation of the income tax, in accordance with the provisions of NIRC of 1997, as amended.

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

SEC. 10. Penalties. – The first violation of any provisions of this Act shall cause the suspension of the license to operate or the business permit of the establishment or person concerned for not less than one (1) week but not more than four (4) weeks and a fine of not less than Twenty Thousand Pesos (P20,000.00) but not more than Fifty Thousand Pesos (P50,000.00).

The second violation of any provisions of this Act shall cause the suspension of the license to operate or the business permit of the establishment or the person concerned for not less than four (4) weeks and a fine of not less than Fifty Thousand Pesos (P50,000.00) but not exceeding Two Hundred Fifty Thousand Pesos (P250,000.00): Provided, however, that the procedure of notice and hearing shall have been complied with prior to the imposition of the said penalties.

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

SEC. 11. Enforcement. – Pursuant hereto, the DepEd, DTI, DOH and local government units (LGUs), in coordination with the CHED and TESDA, shall have the mandate to implement the provision of this Act. After 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 business entity that fails to abide by the provisions of this Act.

SEC. 12. Separability Clause. – If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected by such declaration shall remain in force and effect.

SEC. 13. Repealing Clause. – All laws, executive orders, administrative orders, and rules and regulations inconsistent with this Act are hereby repealed or amended accordingly.

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