



HOUSE OF REPRESENTATIVES

H. No. 7137

BY REPRESENTATIVES VILLAR, CRUZ-GONZALES, VILLANUEVA, SANTIAGO
(N.), JAVIER, REMULLA, CUA (J.), PLAMONTE, NOGRALES, TEODORO,
GONZALES (N.) AND DE GUZMAN, PER COMMITTEE REPORT NO. 2606

AN ACT GRANTING DISCOUNTS TO UNDERPRIVILEGED COLLEGE STUDENTS ON BASIC AND EDUCATION SERVICES

*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 College 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, the following
7 terms shall have the following meaning:

8 (a) *Underprivileged college students* refer to Filipino students enrolled
9 in the tertiary level whose parents have a gross annual income of not more than
10 One hundred thousand pesos (P100,000.00), subject to review by the National
11 Economic and Development Authority (NEDA) every three (3) years. These
12 also include Filipino college 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 the 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 basic necessities such as food for snacks and
8 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 College Students.* –
12 Underprivileged college students shall be entitled to the following:

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

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

25 (c) *On Textbooks and School Supplies.* – A five percent (5%) discount
26 shall be granted to underprivileged college students by establishments
27 anywhere in the country that sell reference books for college and school
28 supplies: *Provided,* That these establishments may claim the cost as allowable

1 tax deduction from the gross income in the computation of the income tax, in
2 accordance with the provisions of the National Internal Revenue Code of 1997,
3 as amended; and

4 (d) On Tuition Fees, Miscellaneous and Other School Fees. – A five
5 percent (5%) discount shall be granted to underprivileged college students by
6 public and private schools where they are enrolled anywhere in the country,
7 without prejudice to their right in availing themselves of other educational
8 assistance given by the school and the government such as the “Study Now,
9 Pay Later Plan” under Republic Act No. 6728: *Provided*, That the schools
10 may claim the cost as allowable tax deduction from the gross income in the
11 computation of the income tax, in accordance with the provisions of the
12 National Internal Revenue Code of 1997, as amended.

13 *SEC. 5. Limitations.* – *The right of any underprivileged college*
14 *student to avail himself/herself of the discounts under this Act shall not apply*
15 *if:*

16 (a) He/She fails for one (1) semester in the majority of the academic
17 subjects in which he/she has enrolled during the course of his/her study, unless
18 such failure is due to some valid cause beyond his/her control;

19 (b) He/She fails to finish his/her course within two (2) years after the
20 year within which he/she should have graduated;

21 (c) He/She stops schooling for one (1) school year, unless such is due
22 to some valid cause beyond his/her control; and

23 (d) He/She is convicted of any crime under the Revised Penal Code.

24 *SEC. 6. Role of the Commission on Higher Education (CHED).* – *The*
25 *CHED shall be in charge of determining the qualified beneficiaries under this*
26 *Act through its Office of Student Services (OSS). The CHED Chairman shall*
27 *include in the regular functions of the OSS the following additional functions:*

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

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

6 (c) To closely coordinate with the NEDA in determining the income
7 brackets of Filipino families for the purpose of identifying underprivileged
8 college students;

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

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

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

17 (g) To provide information to the affected establishments under
18 Section 4 of this Act for any question regarding the eligibility of any
19 underprivileged college student claiming the discounts through the CHED
20 website;

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

24 (i) To perform such other functions as may be determined by the
25 CHED Chairman in the implementation of this Act.

26 SEC. 7. *Tax Incentives.* – Discounts granted by establishments to
27 underprivileged college students under this Act shall be treated as allowable
28 deduction from the gross income in the computation of the income tax, in

1 accordance with the provisions of the National Internal Revenue Code of 1997,
2 as amended.

3 SEC. 8. *Implementing Rules and Regulations.* – The CHED, in
4 coordination with the NEDA, the Department of Social Welfare and
5 Development (DSWD), the Department of Health (DOH), the Department of
6 Trade and Industry (DTI), the Department of Finance (DOF), and such other
7 agencies concerned with the establishments which may be affected by this Act,
8 shall issue the implementing rules and regulations to carry out the objectives of
9 this Act within thirty (30) days after this Act takes effect.

10 SEC. 9. *Penalties.* – The first violation of any provision of this Act
11 shall cause the suspension of the license to operate or the business permit of
12 the establishment or the person concerned for not less than one (1) week but
13 not more than four (4) weeks and a fine of not less than Twenty thousand pesos
14 (P20,000.00) but not more than Fifty thousand pesos (P50,000.00).

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

22 If the offender is a corporation, organization or any similar entity, the
23 official thereof directly involved shall be held liable therefor.

24 SEC. 10. *Enforcement.* – Pursuant hereto, the DTI, the DOH and the
25 local government units (LGUs), in coordination with the CHED, are mandated
26 to implement the provisions of this Act. After filing of an appropriate
27 complaint, and after due notice and hearing, the proper authorities may also
28 cause the cancellation or revocation of the business permit, permit to operate,

1 franchise and other similar privileges granted to any business entity that fails to
2 abide by the provisions of this Act.

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

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

9 SEC. 13. *Effectivity Clause.* – This Act shall take effect fifteen (15)
10 days after its publication in any newspaper of general circulation.

Approved,

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