



HOUSE OF REPRESENTATIVES

H. No. 8885

BY REPRESENTATIVES SARMIENTO (C.), VARGAS, ANGARA-CASTILLO, CASTELO, LAOGAN, SALO, OLIVAREZ, VILLAFUERTE, SIAO, NIETO, ACOP, ZUBIRI, SALCEDA, PANCHO, BATOCABE, TINIO, BENITEZ, DEL MAR, SARMIENTO (E.M.), PRIMICIAS-AGABAS, MACEDA, TAMBUNTING, SAVELLANO, DALIPE, TAN (A.), MALAPITAN, SANDOVAL, MARTINEZ, SY-ALVARADO, BELARO, BRAVO (M.V.), CALALANG, SAHALI, UYBARRETA AND MARCOLETA, PER COMMITTEE REPORT NO. 1090

AN ACT INSTITUTIONALIZING THE GRANT OF STUDENT FARE DISCOUNT PRIVILEGES ON PUBLIC TRANSPORTATION AND FOR OTHER PURPOSES

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 “Student Fare Discount Act”.

3 SEC. 2. *Declaration of Policy.* – Section 1, Article XIV of the
4 1987 Constitution states: “The State shall protect and promote the
5 right of all citizens to quality education at all levels, and shall take
6 appropriate steps to make such education accessible to all”. In
7 addition, paragraph 3, Section 2 of the same Article directs the
8 State to establish and maintain a system of scholarship grants,
9 student loan programs, subsidies, and other incentives, which shall

1 be available to deserving students in both public and private
2 schools, especially to the underprivileged.

3 Consistent with these Constitutional mandates, the State
4 shall:

5 (a) Establish a mechanism that ensures the mandatory grant
6 of a student fare discount privilege;

7 (b) Enlist the cooperation and support of public
8 transportation utilities in extending assistance to students as a
9 social responsibility through the observance of this privilege; and

10 (c) Encourage students, particularly the poor and
11 underprivileged, to pursue quality education to secure their future
12 and make them responsible citizens.

13 SEC. 3. *Definition of Terms.* – As used in this Act:

14 (a) *Student* refers to any Filipino citizen currently enrolled in
15 any elementary, secondary, technical and vocational, or higher
16 education institution. The term does not include those enrolled in
17 post-graduate degree courses and informal short-term courses such
18 as dancing, swimming, music and driving lessons and seminar type
19 courses;

20 (b) *Public transportation utilities* refer to all Philippine
21 common carriers engaged in the business of carrying or transporting
22 passengers or goods by land, sea/water or air, for compensation,
23 offering their services to the public; and

24 (c) *Public transportation utility operator* refers to the person
25 or entity granted with a Certificate of Public Convenience by a
26 regulatory agency to operate as a common carrier.

1 SEC. 4. *Coverage.* – This Act shall cover all public
2 transportation utilities such as, but not limited to, public utility
3 buses (PUBs), public utility jeepneys (PUJs), taxis and other similar
4 vehicles-for-hire, tricycles, passenger trains, aircraft and marine
5 vessels. The application of this Act does not cover school service,
6 shuttle service, tourist service, and any similar service covered by
7 contract or charter agreement and with valid franchise or permit
8 from the Land Transportation Franchising and Regulatory Board
9 (LTFRB).

10 The fare discount granted under this Act may be availed of
11 during the entire period while the student is enrolled, including
12 weekends and holidays: *Provided, That*, in a case where a
13 promotional fare, as approved by the concerned regulatory agency,
14 is granted by a public transportation utility operator, the student
15 shall have the option to choose between the promotional fare and
16 the regular fare less the discount as provided under this Act.

17 SEC. 5. *Student Fare Discount Privilege.* – A student shall be
18 entitled to a twenty percent (20%) discount on the regular domestic
19 fares of all kinds of public transportation utilities upon the personal
20 presentation at the time of purchase and travel of an original and
21 validated school identification (ID) card or current validated
22 enrollment form, supported by the prescribed government-issued
23 identification document.

24 SEC. 6. *Prohibition on Availment of Double Discounts.* – The
25 privileges mentioned in this Act shall not be claimed if the student
26 claims a higher discount as may be granted by the public

1 transportation utility, or under other existing laws, or in
2 combination with other discount programs or incentives.

3 SEC. 7. *Tax Deduction.* – The public transportation utility
4 operator may claim as tax deduction the student fare discount
5 herein granted based on the cost of the services rendered: *Provided,*
6 That the cost of the discount shall be allowed as deduction from
7 gross income for the same taxable year that the discount is granted:
8 *Provided, further,* That the total amount of the tax deduction net of
9 value-added tax, if applicable, shall be included in their gross sales
10 receipts for tax purposes and shall be subject to proper
11 documentation and to the provisions of the National Internal
12 Revenue Code, as amended.

13 SEC. 8. *Additional Relief or Support for the Public*
14 *Transportation Utility Operator and Driver.* – The foregoing
15 provision notwithstanding, the appropriate government agencies
16 in charge of regulating the fares, especially for public land
17 transportation, may determine and provide under the implementing
18 rules and regulations (IRR) of this Act other alternative ways, such
19 as, but not limited to, reduction or exemption from some regulatory
20 fees and charges, to provide additional relief or support for the
21 benefit of public transportation utility operators, including the
22 drivers, with the end view of mitigating the impact of the discount
23 given.

24 SEC. 9. *Filing of Complaints.* – A student who is refused the
25 fare discount privilege under this Act may file a complaint with:

26 (a) The LTFRB for land public transportation utilities, except
27 tricycles;

1 (b) The Maritime Industry Authority (MARINA) for sea/water
2 public transportation utilities;

3 (c) The Civil Aeronautics Board (CAB) for air public
4 transportation utilities;

5 (d) The Legal Service of the Department of Transportation for
6 rail public transportation facilities, including the Manila Light Rail
7 Transit System, the Manila Metro Rail Transit System and the
8 Philippine National Railway System; and

9 (e) The Office of the Local Chief Executive of the local
10 government unit concerned for tricycles.

11 These agencies and offices are hereby authorized to impose
12 the penalties provided for in Section 10 of this Act to public
13 transportation utilities that refuse or fail to grant the student fare
14 discount privilege.

15 SEC. 10. *Penalties.* - The following penalties shall be
16 imposed for refusal or failure to grant the student fare discount
17 privilege provided under this Act:

18 (a) For land public transportation utilities, including tricycles
19 The driver shall suffer the penalty of suspension of driver's
20 license for:

21 (1) One (1) month for the first offense;

22 (2) Two (2) months for the second offense;

23 (3) Three (3) months for the third offense; and

24 (4) Three (3) months plus a fine of One thousand pesos
25 (P1,000.00) for each subsequent offense.

1 The owner or operator of the land transportation utility shall
2 be solidarily liable with the driver or conductor for a fine of One
3 thousand pesos (P1,000.00) for every offense or violation.

4 In land public transportation utilities requiring prior booking,
5 the owner or operator shall be solidarily liable with its employee
6 responsible for the refusal or failure for a fine of:

- 7 (1) One thousand pesos (P1,000.00) for the first offense;
8 (2) Five thousand pesos (P5,000.00) for the second offense;
9 (3) Ten thousand pesos (P10,000.00) for the third offense; and
10 (4) Additional increments of Five thousand pesos (P5,000.00)

11 on top of the penalty for the third offense for each subsequent
12 offense.

13 (b) For sea/water and air public transportation utilities

14 The owner or operator of the sea/water or air public
15 transportation utility shall be solidarily liable with its employee or
16 agent responsible for the refusal or failure for a fine of:

- 17 (1) Five thousand pesos (P5,000.00) for the first offense;
18 (2) Ten thousand pesos (P10,000.00) for the second offense;
19 (3) Twenty thousand pesos (P20,000.00) for the third offense;

20 and

21 (4) Additional increments of Ten thousand pesos (P10,000.00)

22 on top of the fine for the third offense for each subsequent offense.

23 (c) For rail public transportation utilities

24 The operator of the rail public transportation utility shall be
25 solidarily liable with its employee responsible for the refusal or
26 failure for a fine of:

- 27 (1) One thousand pesos (P1,000.00) for the first offense;

- 1 (2) Five thousand pesos (P5,000.00) for the second offense;
2 (3) Ten thousand pesos (P10,000.00) for the third offense; and
3 (4) Additional increments of Five thousand pesos (P5,000.00)
4 on top of the penalty for the third offense for each subsequent
5 offense.

6 SEC. 11. *Use of Falsified Identification Documents and*
7 *Misrepresentation.* – Any person who avails or attempts to avail of
8 the privileges under this Act through the use of falsified
9 identification documents, fraud or any form of misrepresentation
10 shall be denied said privileges and may be subject to civil and penal
11 liabilities prescribed by law.

12 SEC. 12. *Implementing Rules and Regulations.* – Within
13 ninety (90) days from the effectivity of this Act, the LTFRB for land
14 transport, MARINA for sea/water transport, CAB for air transport
15 and the Department of Transportation for rail transport shall
16 respectively promulgate the IRR covering their sectors, taking into
17 consideration the government central identification platform, in
18 consultation with the Department of the Interior and Local
19 Government, Department of Finance, Bureau of Internal Revenue,
20 Department of Education, Commission on Higher Education,
21 Technical Education and Skills Development Authority, Philippine
22 Statistics Authority, other concerned government agencies, public
23 transportation utility operators and stakeholders.

24 SEC. 13. *Separability Clause.* – If any portion or provision of
25 this Act is declared invalid or unconstitutional, the provisions not
26 affected thereby shall remain in full force and effect.

1 SEC. 14. *Repealing Clause.* – All laws, decrees, executive
2 orders and issuances, proclamations, rules and regulations, and
3 other issuances or parts thereof that are inconsistent with the
4 provisions of this Act are hereby repealed or modified accordingly.

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

Approved,

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