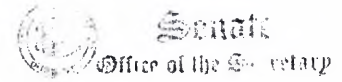


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 JUL -7 P5:56

SENATE
S. No. 227

RECEIVED BY

Introduced by Senator MARK A. VILLAR

**AN ACT
GRANTING TAX DEDUCTIONS TO PARENTS AND LEGAL GUARDIANS
OF CHILDREN WITH SPECIAL NEEDS**

EXPLANATORY NOTE

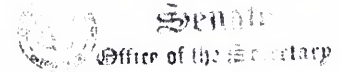
This Bill seeks to address the financial concerns of families that have children with special needs.

Due to the circumstances of these families, they face more challenges compared to those families considered regular and healthy. They have to pay for evaluation and assessment fees, therapy, special education services offering interventions, assistive technology or electronic devices to aid learning and adaptability of the children. Hence, the costs of taking care of children with special needs tend to be more compared to regular children.

Further, this is to recognize that differently abled persons are as much part of our society as everyone else and it is the policy to give full support to the improvement of the total well-being of disabled persons and their integration into the mainstream of society.

MARK A. VILLAR
Senator

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AN ACT
GRANTING TAX DEDUCTIONS TO PARENTS AND LEGAL GUARDIANS OF
CHILDREN WITH SPECIAL NEEDS

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

1 Section 1. *Declaration of Policy.* – It is the policy of the State to promote the
2 right of every individual to relevant quality education regardless of sex, age, breed,
3 socio-economic status, physical and mental condition, social or ethnic origin, and
4 political and other affiliation. Further, the State shall promote and maintain equality of
5 access to education and medical care as well as the enjoyment of benefits of education
6 by all its citizens.

7 Sec 2. *Definition of Terms.* – For the purposes of this Act, these terms are
8 defined as follows:

9 1. *Autism* - A developmental disability significantly affecting verbal and
10 nonverbal communication and social interaction, generally evident before
11 age three (3), that adversely affects a child's educational performance.
12 Other characteristics often associated with autism are engagement in
13 repetitive activities and stereotyped movements, resistance to
14 environmental change or change in daily routines, and unusual responses
15 to sensory experiences. The term does not apply if a child's educational
16 performance is adversely affected because the child has an emotional

1 disturbance.

2 2. *Deafness* - A hearing impairment that is so severe that the child is impaired
3 in processing linguistic information through hearing, with or without
4 amplification that adversely affects a child's educational performance.

5 3. *Emotional Disturbance* - A condition exhibiting one or more of the following
6 characteristics over a long period of time and to a marked degree that
7 adversely affects a child's educational performance:

- 8 a) An inability to learn that cannot be explained by intellectual/sensory
9 or health factors;
- 10 b) An inability to build or maintain satisfactory interpersonal
11 relationships with peers and teachers;
- 12 c) Inappropriate types of behaviors or feelings under normal
13 circumstances;
- 14 d) A general pervasive mood of unhappiness or depression; and
- 15 e) A tendency to develop physical symptoms or fears associated with
16 personal or school problems.

17 The term includes schizophrenia. The term does not apply to children who
18 are socially maladjusted, unless it is determined that they have an
19 emotional disturbance.

20 4. *Hearing Impaired* - Impairment in hearing, whether permanent or
21 fluctuating, that adversely affects a child's performance.

22 5. *Intellectually Disabled* - Significantly sub-average general intellectual
23 functioning existing concurrently with deficits in adaptive behavior and
24 manifested during the developmental period that adversely affects a child's
25 performance.

1 6. *Orthopedic Impairment* - A severe orthopedic impairment that adversely
2 affects a child's educational performance. The term includes impairments
3 caused by congenital anomaly, impairments caused by disease, and
4 impairments from other causes.

5 7. *Qualified Children with Special Needs* - means a legitimate, illegitimate or
6 legally adopted child chiefly dependent and living with the taxpayer. This
7 also covers children with special needs who are placed under the legal
8 custody of an immediate family member or relative. The child should not be
9 more than thirteen (13) years of age and must be assessed by the
10 Department of Education's Special Education Division and a medical
11 professional in order to qualify.

12 Provided, however, that children who are permanently disabled and who
13 are unable to fully take care of themselves are qualified no matter how old
14 they are.

15 8. *Specific Teaming Disability* - A disorder in one or more of the basic
16 physiological processes involved in understanding or in using language,
17 spoken or written, which may manifest itself in the imperfect ability to
18 listen/think/speak/read, write, spell or do mathematical calculations. Such
19 term includes conditions such as perceptual disabilities, brain injury,
20 minimal brain dysfunction, dyslexia, and developmental aphasia

21 9. *Speech or Language Impaired* - communication disorder such as stuttering
22 impaired articulation, language impairment, or a voice impairment that
23 adversely affects a child's educational performance.

24 10. *Traumatic Brain Injury* - An acquired injury to the brain caused by an
25 external physical force, resulting in total or partial functional disability or
26 psychosocial impairment or both, and that adversely affects a child's
27 educational performance. The term applies to open or closed head injuries

1 resulting in impairments in one or more areas, such as cognition, language,
2 memory, attention, reasoning, abstract thinking, judgment, problem solving,
3 sensory, perceptual and motor abilities, psychosocial behavior physical
4 functions, information processing, and speech. The term does not apply to
5 brain injuries that are congenital or degenerative or to brain injuries induced
6 by birth trauma.

7 *11. Visual Impairment* - impairment in vision that, even with correction adversely
8 affects a child's educational performance. The term includes both partial and
9 sight blindness.

10 *Sec 3. Deduction from Taxable Income.* – A qualified taxpayer is entitled to a
11 deduction of Fifty Thousand Pesos (P50,000.00). Expenses that qualify for deduction
12 are:

- 13 a) Tuition for a private school;
- 14 b) Therapy;
- 15 c) Diagnostic evaluations by a medical professional;
- 16 d) Tutoring;
- 17 e) Transportation expenses to school or a medical facility; and
- 18 f) Specialized instructional materials.

19 The parent or legal guardian must provide more than half of the total financial
20 support for the child to qualify for the deduction.

21 *Sec 4. Implementing Rules and Regulations.* – The Bureau of Internal Revenue
22 (BIR) in consultation with the Department of Education's (DepEd) Special Education
23 Division and Department of Health (DOH) shall issue such rules and regulations as
24 may be necessary to carry out the purpose of this Act, within ninety days from its
25 enactment.

26 *Sec 5. Appropriations.* – The amount needed for the initial implementation of

1 this Act shall be taken from the current year's appropriations of the BIR. Thereafter,
2 such sums as may be necessary for its continued implementation shall. Be included in
3 the annual General Appropriations Act.

4 Sec 6. *Separability Clause.* – If any portion or provision of this Act is declared
5 unconstitutional, the remainder of this Act or any provision not affected thereby shall
6 remain in force and effect.

7 Sec 7. *Repealing Clause.* – Any law, presidential decree or issuance, executive
8 order, letter of instruction, rule or regulation inconsistent with the provisions of this
9 Act is hereby repealed or modified accordingly.

10 Sec 8. *Effectivity.* – This Act shall take effect fifteen (15) days following its
11 complete publication in a newspaper of general circulation.

Approved,