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SENATE

S.B. No. 1597

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(In Substitution of Senate Bill Nos. 662, 945, and 1226)

Prepared and Submitted Jointly by the Committees on Education, Arts and Culture;
Public Services; and Ways and Means, with Senators Aquino, Angara, Gatchalian,
and Escudero as authors thereof

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 also be known as the “*Student Fare*
2 *Discount Act.*”

3 **SEC. 2. Declaration of Policy.** – Pursuant to Article XIV, Section 1 of the
4 Constitution, “The State shall protect and promote the right of all citizens to quality
5 education at all levels and shall take appropriate steps to make such education
6 accessible to all.” In addition, Paragraph 3, Section 2 thereof directs the State to
7 establish and maintain a system of scholarship grants, student loan programs,
8 subsidies, and other incentives which shall be available to deserving students in both
9 public and private schools, especially to the underprivileged.

10 **SEC. 3. Purpose.** – Consistent with these Constitutional mandates, this Act aims
11 to:

12 a) Establish a mechanism that ensures the mandatory grant of fare discount
13 privilege to students;

- 1 b) Enlist the cooperation and support of transportation utility owners to
2 extend assistance to students as a social responsibility through the
3 observance of this grant; and
4 c) Encourage students, especially the poor and underprivileged, to pursue
5 quality education to secure their future and make them responsible
6 citizens.

7 **SEC. 4. Definition of Terms.** – For purposes of this Act:

- 8 a) “*Student*” refers to any Filipino citizen currently enrolled in duly authorized
9 basic and tertiary education institutions, including technical-vocational
10 schools. Specifically excluded are those enrolled in dancing and driving
11 schools, short term courses of seminar type, and post-graduate studies
12 (those taking up medicine, law, masteral, doctoral degrees; and the like);
13 and
14 b) “*Transportation utilities*” refers to both public and private companies
15 engaged in the conveyance of passengers, either by land, water, air, or
16 rail for a fixed rate of fees, excluding school transport service providers.

17 **SEC. 5. Coverage.** – This Act shall cover all Filipino students, except those
18 specifically excluded in Section 4 hereof, engaging the services of transportation
19 utilities. Land transport includes, but not be limited to, public utility buses (PUBs),
20 public utility jeepneys (PUJs), taxis, tricycles, Transport Network Vehicle Services
21 (TNVS), Transport Network Companies (TNCs), shuttle services, and public and
22 private railways, such as the Light Rail Transit (LRT), Mass Rail Transit (MRT), and
23 Philippine National Railways (PNR).

24 The fare discount and other privileges under this Act shall be available for the
25 entire period the student is enrolled, including weekends and holidays. In the event
26 of a promotional fare discount, the student may avail of the promotional discount or
27 the discount provided herein.

28 **SEC. 6. Privilege of Students Involving Domestic Travel.** – The students
29 under this Act shall be entitled to a grant of twenty percent (20%) discount on regular
30 fares, upon presentation of their duly issued school Identification Cards (IDs) or

1 current validated enrollment forms supported by other documents to properly
2 establish identity, subject to an appropriate verification mechanism to be provided in
3 the Implementing Rules and Regulations (IRR): *Provided*, That in the case of air
4 transportation utilities, the discount shall only apply to the base fare or the price of
5 the ticket before taxes and costs for ancillary services.

6 **SEC. 7. *Privilege of Students Involving International Travel.*** – All laws to the
7 contrary notwithstanding, Filipino students who will travel abroad for education,
8 training, and competition shall be exempt from the payment of travel tax upon proper
9 showing of proof or documentation of intended purpose.

10 **SEC. 8. *Prohibitions on Availment of Double Discounts.*** – The privileges
11 mentioned in this Act shall not be claimed if the student claims a higher discount as
12 may be granted by the transportation utility or under other existing laws or in
13 combination with other discount programs.

14 **SEC. 9. *Tax Deduction.*** – The transportation utility may claim the discounts
15 granted herein as tax deduction based on the cost of the services rendered:
16 *Provided*, That the cost of the discount shall be allowed as deduction from gross
17 income for the same taxable year that the discount is granted: *Provided, further*, That
18 the total amount of the claimed tax deduction net of VAT, if applicable, shall be
19 included in their gross sales receipts for tax purposes and shall be subject to proper
20 documentation and to the provisions of the National Internal Revenue Code (NIRC),
21 as amended.

22 **SEC. 10. *Filing of Complaints.*** – Students who are refused from availing of the
23 privileges under this Act may file their complaints with the following proper
24 authorities:

- 25 a) The Land Transportation Franchising and Regulatory Board (LTFRB) for land
26 transportation utilities;
- 27 b) The Maritime Industry Authority (MARINA) for sea/water transportation
28 utilities;
- 29 c) The Civil Aeronautics Board (CAB) for air transportation utilities;

1 d) The Legal Service of the Department of Transportation (DOTr) for rail
2 transportation utilities, including the Light Rail Transit (LRT), Metro Rail
3 Transit (MRT) and Philippine National Railways (PNR); and

4 e) Local government units concerned for tricycles.

5 All complaints disposed of by such regulatory agency may be brought to the
6 Office of the Secretary of the DOTr for review.

7 **SEC. 11. Penalties.** – After due investigation and finding the complaint against
8 any transportation utility to be true and valid, the following penalties shall be imposed
9 as herein specified:

10 a) For Land Transportation Utilities: A fine of five thousand pesos (P5,000) for
11 the first offense; a fine of ten thousand pesos (P10,000) and impounding of unit
12 for thirty (30) days for the second offense; and a fine of fifteen thousand pesos
13 (P15,000) and cancellation of Certificate of Public Convenience (CPC) for the
14 third and subsequent offenses;

15 b) For Water Transportation Utilities: A fine ranging from ten thousand pesos
16 (P10,000) to fifty thousand pesos (P50,000) and warning for the first offense; a
17 fine ranging from twenty thousand pesos (P20,000) to sixty thousand pesos
18 (P60,000) and suspension of operation of the ship for a period not exceeding
19 thirty (30) days for the second offense; and a fine ranging from thirty thousand
20 pesos (P30,000) to seventy thousand pesos (P70,000) and suspension of
21 operation of the ship for the third and subsequent offenses: *Provided*, That the
22 imposition of the ranges of penalties under this sub-paragraph shall be based on
23 the ship's volume in gross tonnage;

24 c) For Air Transportation Utilities: A fine ranging from fifty thousand pesos
25 (P50,000) to one hundred thousand pesos (P100,000) for the first offense; a fine
26 ranging from one hundred thousand pesos (P100,000) to one hundred fifty
27 thousand pesos (P150,000) and a warning for the second offense; and a fine
28 ranging from one hundred fifty thousand pesos (P150,000) to two hundred

1 thousand pesos (P200,000) and other sanctions as may be determined by CAB,
2 for the third and subsequent offenses;

3 d) For Rail Transportation Utilities: All rail transportation utilities are mandated to
4 observe the aforesaid fare discount privilege and designate a student/senior
5 citizen fare booth in their boarding stations. Violations thereof shall be sanctioned
6 or fined under the existing Civil Service Rules. For private railways, the amount of
7 fines prescribed under sub-paragraph (b) of this Section shall apply, to be
8 imposed by the DOTr.

9 Upon filing of an appropriate complaint, and after due notice and hearing, the
10 proper authorities in subparagraphs (b), (c), and (d), with respect to private railways,
11 of this Section may also cause the cancellation or revocation of CPC, permit to
12 operate, franchise, licenses and other privileges granted to the transportation utilities
13 who fail to comply with the provisions of this Act.

14 **SEC. 12. Use of Falsified Identification Documents and Misrepresentation. –**

15 Any person who avails or attempts to avail of the privileges under this Act through
16 the use of falsified identification documents, fraud or any form of misrepresentation
17 shall be denied said privileges and may be subject to civil and penal liabilities
18 prescribed by law.

19 **SEC. 13. Implementing Rules and Regulations. –**

20 The Department of Transportation (DOTr) and its attached agencies, in consultation with LTFRB,
21 MARINA, and CAB, and the Department of Finance, shall promulgate, within one
22 hundred twenty (120) days upon approval of this Act, the necessary rules and
23 regulations for the effective implementation of the provisions of this Act: *Provided,*
24 That the failure of the concerned agencies to promulgate the said rules and
25 regulations shall not prevent the implementation of this Act upon its effectivity.

26 **SEC. 14. Repealing Clause. –**

27 All provisions of laws, decrees, orders, including
28 rules and regulations inconsistent herewith are hereby repealed or modified
accordingly.

1 **SEC. 15. *Separability Clause.*** – If any portion or provision of this Act is declared
2 invalid or unconstitutional, the remainder of this Act or any provisions not affected
3 thereby shall remain in full force and in effect.

4 **SEC. 16. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days
5 following its publication in the *Official Gazette* or in at least two (2) newspapers of
6 general circulation.

Approved,