



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL No. 5484



Introduced by HONORABLE ERNESTO "ERNIX" M. DIONISIO, JR.

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

EXPLANATORY NOTE

According to UNICEF and World Health Organization (WHO), there are more than 2.5 billion people who need assistive products such as wheelchairs, hearing aids and other more products that are necessary for them¹. In the Philippines, it is estimated that one out of seven or around 5.1 million Filipino people are living with disabilities².

Families of children with special needs are facing a lot more challenges in caring and supporting children with special needs, not only when it comes to emotional or moral support but also when it comes to financial aspects. They are more inclined to more expenditures such as expenses for evaluation and assessment fees, therapy, special education services which offer assistive technology or electronic devices to assist the child his or her learning.

This bill aims to assist the concerns of families that have children with special needs with regard to finances. It seeks to grant tax deductions to parents and legal guardians of children with special needs.

It is a challenge as it is to care and nurture a child with special needs, the State can alleviate this by granting them financial aid through the grant of tax deduction in favor of them. By doing so, it is not only the family members or the guardians who will benefit from this but more importantly, it is the child who will benefit from it.

In view of the foregoing, the immediate approval of this bill is necessary.

¹ Almost one billion children and adults with disabilities and older persons in need of assistive technology denied access, according to new report at <https://www.unicef.org/press-releases/almost-one-billion-children-and-adults-disabilities-and-older-persons-need-assistive> (last accessed on September 28, 2022).

² No Child Left Behind: Study calls for better care of children with disabilities at <https://www.unicef.org/philippines/press-releases/no-child-left-behind-study-calls-better-care-children-disabilities> (last accessed on September 28, 2022).

A handwritten signature in blue ink, appearing to read 'Ernesto M. Dionisio, Jr.', written in a cursive style.

ERNESTO "ERNIX" M. DIONISIO, JR.

Assistant Majority Floor Leader

Congressman

First Congressional District of Manila



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

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

Sec 2. Children with Special Needs. – For the purposes of this Act, the term Children with Special Needs refer to those persons eighteen (18) years old and below who are mentally gifted or are fast learners; and those who are disabled, impaired, and handicapped and in need of special education as well as services for rehabilitation. They differ from the average children in mental characteristics, sensory abilities, neuro-muscular or physical characteristics, social attributes, to such an extent that requires the use of modified school practices for special education services to develop them to maximum capability.

Sec 3. Deduction from Taxable Income. - A qualified taxpayer is entitled to a deduction of Twenty Five percent (25%) of their expenses that qualify for deduction are:

- a. Tuition for a private school;
- b. Therapy;
- c. Diagnostic evaluations by a medical professional;
- d. Tutoring;
- e. Transportation expenses to school or a medical facility; and

f. Specialized instructional materials.

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

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

Sec 5. Appropriations. - The amount needed for the initial implementation of this Act shall be taken from the current year's appropriations of the BIR. Thereafter, such sums as may be necessary for its continued implementation shall. Be included in the annual General Appropriations Act.

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

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

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

Approved,