

HONORABLE WIN GATCHALIAN

Chairperson
Committee on Ways and Means
Senate of the Philippines
Pasay City

ATTN: **Mr. Harold Ian V. Bartolome**
Legislative Committee Secretary

Dear **SENATOR GATCHALIAN**,

This refers to the following Senate Bill endorsed to the Department of Social Welfare and Development for comments and recommendations, to wit –

Senate Bill (SB) No.	Title	Author
227	An Act Granting Tax Deductions to Parents and Legal Guardians of Children with Special Needs	Sen. Mark A. Villar

Consistent with its mandate to lead in the formulation, implementation and coordination of social welfare and development policies and programs, including provision of social protection, for and with the poor, vulnerable and disadvantaged sectors such as children and persons with disability, the Department of Social Welfare and Development **supports** the above proposed legislations.

The Department, particularly coming from its position as Chairperson for the National Council on Disability Affairs (NCDA), highly believes that this measure would promote and protect the rights and welfare of children with special needs including their respective families as it would immensely help the families in defraying the high cost of caring and rearing children with special needs.

Further, the proposed bill granting tax deductions to parents and legal guardians of children with special needs would serve as our proactive implementation of our commitment under UN Convention on the Rights of Persons with Disabilities to ensure access by persons with disabilities and their families living in situations of poverty to assistance from the State with disability-related expenses, including adequate training, counselling, financial assistance and respite care. If passed into law, the proposed bill would lessen the financial burden for families as the allowable deduction could be reallocated for other necessities of the children with special needs.

To this end, the Department would like to take this opportunity to provide its comments and recommendations as follows –

1. The definition of “Qualified Children with Special Needs” may need to be clarified.

We respectfully refer to Republic Act No. 7277 or the “Magna Carta for Disabled Persons” which defined disabilities. The use of this term to refer to those with special needs may provide clarity in context and practice, unless the intent of the proposed legislation is to really make a differentiation between “special needs” and disabilities.

Moreover, we recommend using the DOH’s definition on disability as it is the agency mandated to set policies on definitions of disabilities and who are qualified Persons with Disabilities (PWDs), including issuance of certification for non-obvious disabilities such as psychosocial, learning, mental/intellectual, visual, and hearing disabilities per DOH Administrative Order No. 0005-A, series of 2013 or the Amendment to Administrative Order No. 20136-0005 dated February 07, 2013 on National Policy on the Unified Registry Systems of the Department of Health (Chronic Non-Communicable Diseases, Injury Related Cases, Persons with Disabilities and Violence Against Women and Children Registry System) dated November 06, 2019.

The Committee may also wish to consider the use of the definition of children under existing laws and under the United Nations Convention on the Rights of the Child.

Republic Act No. 9775 or the Anti-Child Pornography Act of 2009, Republic Act No. 7610 or the Special Protection of Children Against Abuse, Exploitation and Discrimination Act, Presidential Decree No. 603, series of 1974 or The Child and Youth Welfare Code, Republic Act No. 9262 or the Anti-Violence Against Women and Their Children Act of 2004, as well as under the United Nations Convention on the Rights of the Child, the term children shall be referred to as “any person below eighteen (18) years of age or those over but are unable to fully take care of themselves or protect themselves from abuse, neglect, cruelty, exploitation or discrimination because of a physical or mental disability or condition”.

We believe that adopting this definition of children shall be more beneficial to the subject of this legislation because children above the age of 13 may still qualify to the benefits provided under this proposed measure.

2. The Committee may also wish to consider adding a provision in the proposed legislation which will provide incentive to the parents/guardians of children with special needs who are tax-exempt.

Under the proposed legislation, a maximum of Php50,000 shall be considered as allowable deduction from the taxable income of qualified beneficiaries. We wish to emphasize that under our current tax system, individuals earning Php250,000.00 or less per annum are taxed at 0% on their gross income. Thus, we request that the Committee also include measures that will make the bill more inclusive to benefit low-income and poor households in recognition of the more pressing needs of these individuals for assistance and support in defraying the cost of caring for their children with special needs.

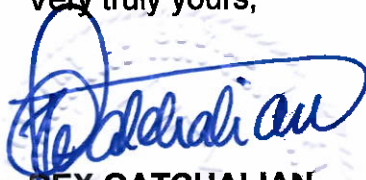
3. On Section 4 of the Implementing Rules and Regulations.

We recommend for the inclusion of the NCDA and the DSWD in crafting of the IRR considering that the subject of the legislation involves children with special needs or persons with disabilities who belong among the vulnerable and disadvantaged sectors.

Respectfully submitted for the Chairperson's consideration.

Thank you.

Very truly yours,



REX GATCHALIAN
Secretary
Date: JUN 06 2023