


SENATE
P. S. RES. No. 1239

REL: 

Introduced by SEN. WIN GATCHALIAN

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, TO DETERMINE THE EFFECT ON THE GOVERNMENT'S TAX COLLECTION OF THE TAX LEAKAGES CAUSED BY THE PROLIFERATION AND UNSCRUPULOUS USE OF FAKE PERSON WITH DISABILITY (PWD) IDENTIFICATION CARDS (ID) IN ORDER TO AVAIL OF THE TWENTY PERCENT (20%) PWD DISCOUNT AND VALUE ADDED TAX (VAT) EXEMPTION

1 WHEREAS, Republic Act No. ("RA") 7277 otherwise known as the "Magna Carta
2 for Disabled Persons", as amended by RA 10754 otherwise known as "An Act
3 Expanding the Benefits and Privileges of Persons With Disability (PWD)" provides for
4 various benefits and privileges to PWDs;

5 WHEREAS, under Section 1 of RA 10754, one of the privileges of Filipino PWDs
6 is the grant of twenty percent (20%) discount and VAT-exemption on the following
7 goods and services for the exclusive use and enjoyment of the PWD: 1) fees and
8 charges relative to the utilization of all services in hotels and similar lodging
9 establishments; restaurants and recreation centers; 2) admission fees charged by
10 theaters, cinema houses, concert halls, circuses, carnivals and other similar places of
11 culture, leisure and amusement; 3) purchase of medicines in all drugstores; 4) medical
12 and dental services including diagnostic and laboratory fees, and professional fees of
13 attending doctors, in all government facilities and private hospitals and medical
14 facilities; 5) fare for domestic air and sea travel; 6) fare for land transportation travel;
15 and 7) funeral and burial services for the death of the PWD;

1 WHEREAS, for the establishments to recoup the PWD discounts granted, RA
2 10754 allows these establishments to claim the PWD discounts granted as tax
3 deductions based on the net cost of the goods sold or services rendered;

4 WHEREAS, RA 10754 and its Implementing Rules and Regulations provide that
5 in order to be able avail of these discounts, a PWD must present any of the these IDs
6 as proof of his or her entitlement to PWD discounts and privileges: 1) ID issued by the
7 Persons with Disability Affairs Office (PDAO) or the City or Municipal Social Welfare
8 and Development Office (CSWDO or MSWDO) of the place where the person with
9 disability resides; 2) passport of the concerned person with apparent disability; or 3)
10 ID issued by the National Council on Disability;

11 WHEREAS, there have been reports of individuals that are selling fake PWD IDs
12 to the public¹;

13 WHEREAS, on February 2024, the City Government of Bacolod City discovered
14 more than one hundred (100) fake PWD IDs noting that these IDs were printed on a
15 different kind of paper, the PWD numbers are mixed up, and the encoded type of
16 disabilities are wrong²;

17 WHEREAS, on June 2024, the City Government of Cebu City has received
18 reports of alleged increase in the issuance and sale of fake PWD IDs and discovered
19 and confiscated at least seven fake PWD IDs. The name on these IDs did not match
20 the names in the verified list of the City Government³;

21 WHEREAS, the continued use of fake PWD IDs has robbed the national
22 government of revenues it could have collected if not for the VAT-exemption and PWD
23 discounts given to unqualified individuals;

24 WHEREAS, various local government units have also funded various assistance
25 and incentives to PWDs, hence the use of fake PWD IDs has also undermined the
26 success of the local government units' programs meant to address the needs of PWDs;

¹ *Fake PWD IDs being sold in Manila; 2 suspects arrested*, GMA Integrated News, June 23, 2023, available at: <https://www.gmanetwork.com/news/topstories/metro/873776/fake-pwd-ids-being-sold-in-manila-2-suspects-arrested/story/> (last accessed: November 21, 2024).

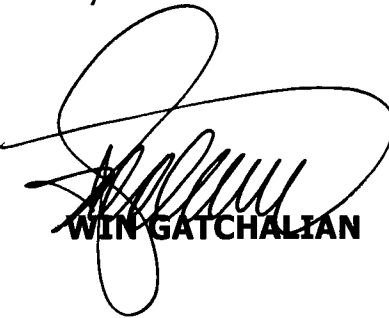
² Glazyl Masculino, *Over 100 fake PWD IDs discovered in Bacolod*, Manila Bulletin, February 9, 2024, available at: <https://mb.com.ph/2024/2/9/over-100-fake-pwd-i-ds-discovered-in-bacolod> (last accessed: November 21, 2024).

³ Pia Piquero, *Cebu City mandates QR scanners for PWD IDs verification*, Cebu City mandates QR scanners for PWD IDs verification, Cebu Daily News, June 6, 2024, available at: <https://cebudailynews.inquirer.net/577176/cebu-city-mandates-qr-scanners-for-pwd-ids-verification> (last accessed: November 21, 2024).

1 WHEREAS, restaurant owners has also raised their concerns over losses
2 sustained due to the use of fake PWD IDs in order to avail of the 20% discount and
3 VAT-exemption, further noting the increase in the percentage of their sales made to
4 PWDs from 5% to now around 30%⁴;

5 RESOLVED BY THE SENATE, as it is hereby resolved by the Senate, to direct
6 the appropriate Senate Committee to conduct an inquiry, in aid of legislation, to
7 determine the effect on the government's tax collection of the tax leakages caused by
8 the proliferation and unscrupulous use of fake PWD IDS in order to avail of the twenty
9 percent (20%) PWD discount and VAT exemption, with an end view of crafting a
10 legislation or policy recommendation, as may be necessary.

Adopted,



WIN GATCHALIAN

⁴ Jeck Batallones, *Restaurant owners sound alarm over fake PWD cards*, ABS-CBN News, November 14, 2024, available at: <https://www.abs-cbn.com/news/business/2024/11/21/bitcoin-tops-95-000-for-the-first-time-1037> (last accessed: November 21, 2024).