



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
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February 2, 2017

MEMORANDUM CIRCULAR
 NO. 2017-17

TO : ALL PROVINCIAL GOVERNORS, CITY AND MUNICIPAL MAYORS,
 PUNONG BARANGAYS, DILG REGIONAL DIRECTORS
 AND OTHERS CONCERNED

SUBJECT : IMPLEMENTING RULES AND REGULATIONS (IRR) OF REPUBLIC
 ACT 10754 ENTITLED "AN ACT EXPANDING THE BENEFITS AND
 PRIVILEGES OF PERSONS WITH DISABILITIES"

This is in connection with the approved Implementing Rules and Regulations (IRR) of Republic Act No. 10754 otherwise known as "An Act Expanding the Benefits and Privileges of Persons with Disabilities".

RA 10754 aims to provide Persons with Disabilities (PWDs) the opportunity to participate fully into the mainstream of society by granting them at least twenty percent (20%) discount and exemption from the value added tax on the sale of certain goods and services identified under Republic Act 9442 for the exclusive use, enjoyment or availment of PWDs.

In this connection, all local government units are hereby informed and are expected to ensure full implementation of the said laws.

Likewise, all Regional Directors are directed to cause the widest dissemination of the above-cited IRR (attached) to ensure the awareness and responsiveness of local government officials in its promotion and implementation.

For strict compliance.

ISMAEL D. SUENO
 Secretary



REPUBLIC ACT NUMBER 10754

An Act Expanding the Benefits and Privileges of Persons with Disability

IMPLEMENTING RULES AND REGULATIONS

RULE I

TITLE, PURPOSE AND CONSTRUCTION

Section 1. Title - These Rules shall be known and cited as the Implementing Rules and Regulations of Republic Act No. 10754, otherwise known as the Act Expanding the Benefits and Privileges of Persons with Disability (PWD).

Section 2. Purpose - These Rules and Regulations are promulgated to prescribe the procedures and guidelines for the implementation of Republic Act No. 10754 in order to facilitate compliance with the Act and to achieve its objectives.

Section 3. Construction - These Rules and Regulations shall be construed and applied in accordance with and in furtherance of the policies and objectives of the law. In case of doubt, the same shall be construed liberally and in favor of persons with disability.

RULE II

POLICIES AND OBJECTIVES

Section 4. Policies and Objectives - It is the declared policy of the State to give full support to the improvement of well-being and integration into mainstream society of persons with disability. It is the objective of Republic Act No. 10754 to provide persons with disability the opportunity to participate fully into the mainstream of society by granting them at least twenty (20%) discount and exemption from the value added tax on the sale of certain goods and services identified under Republic Act No. 9442 for the exclusive use, enjoyment or availment of persons with disability.

RULE III

DEFINITION OF TERMS

Section 5. Definition of Terms - For purposes of these Rules and Regulations, these terms are defined as follows:

5.1 Persons with Disability - are those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others. For purposes of these Rules and Regulations, persons with disability shall be classified by the Department of Health (DOH) through an issuance.

5.2 Basic Necessities - are goods vital to the needs of consumers for their sustenance and existence such as, but not limited to, rice; corn; root crops; bread; fresh, dried or canned fish and

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other marine products; fresh pork, beef and poultry meat; fresh eggs, potable water in bottles and containers; fresh and processed milk; fresh vegetables and fruits; locally manufactured instant noodles; coffee; coffee creamer; sugar; cooking oil; salt; laundry soap and detergents; firewood; charcoal; household liquefied petroleum gas (LPG) and kerosene; candles; drugs classified as essential by the Department of Health and such other goods as may be classified by the Department of Trade and Industry and Department of Agriculture.

5.3 Dental Services – refers to oral examination, cleaning, permanent and temporary filling, extractions and gum treatments, restoration, replacement or repositioning of teeth, or alteration of the alveolar or periodontium process of the maxilla and the mandible that are necessary for the diagnosis and/or treatment of a dental illness or injury.

5.4 Diagnostic and Laboratory Tests – any procedure conducted for diagnostic purposes. It shall include such procedures as x-rays, CT-scans, MRI scans, PET scans, blood chemistry exams, histopathology and immunopathology, hematology, urine analysis, parasitology and bacteriology tests, serology, blood banking and all other diagnostic radiology, clinical laboratory and other diagnostic examinations that are necessary for the diagnosis of the disability or medical condition of a person with disability. It shall also include clinical psychological tests, assessment of speech conditions, test for hearing acuity, visual acuity, learning impairment, and related psychosocial conditions like drug testing.

5.5 Drug / Medicine – refers to any chemical compound or biological substance, other than food, intended for use in the treatment, prevention or diagnosis of disease in humans or animals, including but not limited to:

5.5.1 Any article recognized in the official United States Pharmacopoeia – National Formulary (USP-NF), official Homeopathic Pharmacopoeia of the United States, Philippine Pharmacopoeia, Philippine National Drug Formulary, British Pharmacopoeia, European Pharmacopoeia, Japanese Pharmacopoeia, Indian Pharmacopoeia, any national compendium or any supplement to any of them

5.5.2 Any article intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in humans or animals

5.5.3 Any article other than food intended to affect the structure or any function of the human body or animals

5.5.4 Any article intended for use as a component of any articles specified in items 5.5.1 to 5.5.3 not including devices or their components, parts or accessories

5.5.5 Herbal and/or traditional drugs which are articles of plant or animal origin used in folk medicine which are:

- Recognized in the Philippine National Drug Formulary

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- Intended for use in the treatment or cure or mitigation of disease symptoms, injury or body effects in humans
- Other than food, intended to affect the structure or any function of the human body
- In finished or ready-to-use dosage form
- Intended for use as a component of any of the articles specified in bullets 1 to 4.

These may also include vitamins and minerals provided that these are in accordance with the Food and Drug Administration's prevailing cut-off on vitamins and minerals classified as drug / medicine i.e product containing more than 150% of water-soluble vitamins and more than 102% of fat soluble vitamins. For herbs to be classified under this definition, levels and amounts as well as registration status is required when indicated for therapeutic use.

5.6 Essential Drug / Medicine – refers to drugs / medicines that satisfy the priority health care needs of the population and which are selected based on the evidence of their efficacy, safety and comparative cost effectiveness.

5.7 Essential Drug List or National Drug Formulary – Refers to a list of drugs prepared and periodically updated by the Department of Health on the basis of health conditions obtaining in the Philippines as well as on internationally accepted criteria.

5.8 Foods for Special Medical Purposes - refers to category of foods for special dietary uses which are specially processed or formulated and presented for the dietary management of patients and may be used only under medical supervision. They are intended for the exclusive or partial feeding of patients with limited or impaired capacity to take, digest, absorb or metabolize ordinary foodstuffs or certain nutrients contained therein, or who have other special medically-determined nutrient requirements, whose dietary management cannot be achieved only by modification of the normal diet, by other foods for special dietary uses, or by a combination of the two.

5.9 Lodging Establishment - refers to public and private establishments that charge daily, weekly, monthly rates or fees which include but not limited to the following:

5.9.1 Apartel refers to building or edifice containing several independent and furnished or semi-furnished apartments, regularly leased to tourists and travelers for dwelling on a more or less long-term basis and offering basic services to its tenants, similar to hotels.

5.9.2 Dormitory refers to any permanent structure with private rooms where persons, students in particular, may be regularly accepted as boarders and provided with lodging and/or meals.

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5.9.3 Motorist Hotel refers to any structure with several separate units, primarily located along the highway, with individual or common parking space, at which motorists may obtain lodging and in some instances, meals.

5.9.4 Pension House refers to a private or family-operated tourist boarding house, tourist guest house or tourist lodging house, regularly catering to tourist, and/or traveler, containing several independent table rooms, providing common facilities such as toilets, bathrooms/showers, living and dining rooms and/or kitchen and where a combination of board and lodging may be provided.

5.9.5 Tourist Inn refers to lodging establishment catering to transients, which does not meet the minimum requirement of an economy hotel.

The term lodging establishment shall include lodging houses, which shall mean such establishments are regularly engaged in the hotel business, but which, nevertheless, are not registered, classified and licensed as hotels by reason of inadequate essential facilities and services. It also includes resort, which shall refer to any place or places with pleasant environment and atmosphere conducive to comfort, healthful relaxation and rest, offering food, sleeping accommodation and recreational facilities to the public for a fee or remuneration.

The term, however, excludes homestay or an alternative tourism where tourists will stay with the host's family in the same house and will experience the everyday life of the family and the local community.

5.10 Medical Services – refers to health services which include but not limited to prevention of disability through immunization, nutrition, environmental protection and preservation; genetic counseling; early detection of disability and timely intervention to arrest disabling condition and medical treatment and rehabilitation including mobility assistive devices.

5.11 Prime Commodities – are goods not considered as basic necessities but are essential to consumers such as, but not limited to flour; dried, processed or canned pork, beef and poultry meat; dairy products not falling under basic necessities; onions; garlic; vinegar; patis; soy sauce; toilet soap; fertilizer; pesticides and herbicides; poultry, livestock and fishery feeds and veterinary products; paper; school supplies; nipa shingles; sawali; cement; clinker; GI sheets, hollow blocks; plywood; plyboard; construction nails; batteries; electrical supplies; lightbulbs; steel wire; all drugs not classified as essential drugs by the Department of Health and other commodities that may be classified by the Department of Trade and Industry and the Department of Agriculture.

5.12 Recreation Centers – refers to any establishment offering recreation services with facilities that include but not limited to internet cafes, video games, other similar amusement facilities, theaters, cinema houses, concert halls, circuses, carnivals and other places of culture and leisure. This definition excludes establishments with gambling facilities.

5.13 Restaurant – refers to any establishment duly licensed by the government selling to the public, regular and special meals or menu. This may include but not limited to food, drinks,

beverages, desserts and other consumable items served by the establishment including value meals and other similar food counters, fast food, cooked food and short orders including take-outs.

RULE IV BENEFITS AND PRIVILEGES OF PERSONS WITH DISABILITY

Section 6. Twenty Percent (20%) Discount and Value Added Tax (VAT) Exemption - Persons with disability shall be entitled to the grant of 20% discount and VAT-exemption on the purchase of certain goods and services from all establishments for their exclusive use, enjoyment or availment; Provided, however, that the purchase of such goods and services from sellers that are not subject to Value Added Tax (VAT) shall be subject to the applicable percentage tax.

For this purpose, subsequent purchases by persons with disability on the same day from the same establishments shall still be subjected to 20% discount and VAT-exemption.

All establishments shall place signages in conspicuous areas within their premises to inform persons with disabilities that they are entitled to the 20% discount and VAT-exemption.

The Department of Finance thru the Bureau of Internal Revenue shall issue the corresponding Revenue Regulations and/or Revenue Memorandum Circulars related to the grant of the 20% discount and VAT-exemption for persons with disability.

The Department of the Interior and Local Government shall also ensure that all local government units are informed about the law for the smooth implementation of the 20% discount and VAT-exemption for persons with disability in their areas of jurisdiction.

Section 6.1 Lodging Establishments – This shall apply to room accommodation and other amenities offered by the establishment such as but not limited to massage parlor, sauna bath, food, drinks and other services offered. The said discount and exemption will only apply to persons with disability.

The Department of Tourism shall issue the corresponding guidelines, circulars or directives related to this section for its accredited lodging establishments and disseminate such information to all concerned.

The concerned academic institutions shall also ensure that dormitories under their jurisdiction grant the 20% discount and VAT-exemption to students with disabilities.

Section 6.2 Restaurants - This shall apply to the purchase of food, drinks, beverages, dessert and other consumable items served by the establishments including value meals and other similar food counters, fast food, cooked food and short orders including take outs. To safeguard the establishments from abuse of this privilege, the orders should be limited only to the consumption of the concerned person with disability.

Section 6.3 Recreation Centers - This shall apply to admission fees of persons with disability charged by theaters, cinema houses, concert halls, circuses, carnivals and other places of culture and leisure. The said discount and exemption shall also apply to charges in the utilization of services including rentals of facilities and equipment and other accessories and gadgets to be used, enjoyed or availed by persons with disability in these centers.

The Department of Tourism shall issue the corresponding guidelines, circulars or directives related to Sections 6.2 and 6.3 for its accredited restaurants and recreation centers and disseminate such information to all concerned.

The Local Government Units concerned, in coordination with the Leagues of Cities and Municipalities, shall also ensure that restaurants and recreation centers under their jurisdiction are compliant to the law by including the grant of 20% discount and VAT-exemption to persons with disability as part of the terms and conditions in the issuance of business permits to the aforementioned establishments.

Section 6.4 Purchase of Medicines and Foods for Special Medical Purposes - This shall apply to the purchase of prescribed generic and branded drugs / medicines as well as foods for special medical purposes in all drugstores for the exclusive use or availment of persons with disability.

The Department of Health, in coordination with the Philippine Health Insurance Corporation and Food and Drug Administration, shall issue the corresponding guidelines, circulars or directives related to this section and disseminate such information to all concerned.

Section 6.5 Medical and Dental Services, Diagnostic and Laboratory Fees and Professional Fees of Attending Doctors - This shall apply to the availment of medical and dental services including diagnostic and laboratory fees by persons with disability in government facilities or private hospitals and medical facilities. The said discount and exemption shall also apply to the professional fees of attending doctors in such facilities.

The Department of Health, in coordination with the Philippine Health Insurance Corporation, shall issue the corresponding guidelines, circulars or directives related to this section and disseminate such information to all concerned.

Section 6.6 Domestic Air and Sea Travel – This shall cover the actual fare for domestic air and sea travel. For promotional fares, the Section on No Double Discounts should apply.

Section 6.7 Land Transportation Travel - This shall apply to actual fare for land transportation travel such as, but not limited to, public utility buses or jeepneys, taxis, Asian Utility Vehicles (AUVs), shuttle services, public railways including Light Rail Transit, Metro Rail Transit and Philippine National Railways and Transportation Network Vehicle Services (TNVS) such as Grab, Uber and the like.

The Department of Transportation including those agencies attached and under its administrative supervision and control shall issue the corresponding guidelines, circulars or directives related to

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domestic air, sea and land transportation travel and disseminate such information to all concerned.

The Local Government Units concerned, in coordination with the Leagues of Cities and Municipalities, shall also ensure the passage of local ordinance to enjoin transport groups to grant this benefit/privilege.

Further, land transport groups shall place signages within public utility vehicles, shuttle services and public railways to inform persons with disability that they are entitled to the benefit/privilege.

Section 6.8 Funeral and Burial Services for the Death of a Person with Disability - The beneficiary or any person who shall shoulder the funeral and burial expenses of the deceased person with disability, shall claim the discount under this rule for the deceased person with disability upon presentation of the death certificate and person with disability identification card (ID) or in its absence, the original or certified true copy of the proof of registration from the issuing local government unit. Such expenses shall cover the purchase of casket, urn, embalming, hospital morgue, transport of the body to intended burial site in the place of origin, but shall exclude obituary publication and the cost of the memorial lot.

The Local Government Units concerned, in coordination with the Leagues of Cities and Municipalities, shall ensure that mortuaries under their jurisdiction are compliant to the law by including the grant of 20% discount and VAT-exemption to persons with disability as part of the terms and conditions in the issuance of business permits to the aforementioned establishments.

Section 7. Educational Assistance for Persons with Disabilities - Educational assistance shall be granted to persons with disability to pursue primary, secondary, tertiary, post tertiary as well as vocational or technical education in both public and private schools and authorized technical vocational institutions through the provision of scholarships, grants, financial aid, subsidies and other incentives to qualified persons with disability, including support for books, learning materials and uniform allowance to the extent feasible: Provided, that persons with disability shall meet minimum admission requirements set by the Department of Education, Commission on Higher Education and Technical Education and Skills Development Authority and the Unified Student Financial Assistance System for Tertiary Education (UniFAST) Board for persons with disability who wish to pursue tertiary education by means of scholarships, grants-in-aid and student loans.

The DepEd, CHED and TESDA shall also ensure that all public and private schools, colleges and universities are informed about the provision on educational assistance for persons with disabilities.

For the purpose of this section and in view of Republic Act No. 10533 or the Enhanced Basic Education Act of 2013, primary education shall include kindergarten whether in private or public schools.

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Section 8. Other Benefits and Privileges – The benefits and privileges to be extended by the Government Service Insurance System, Social Security System and Pag – ibig to persons with disability shall be based on their respective charters.

Section 9. Special Discounts in Special Programs – To the extent possible, the government may grant special discounts in special programs for persons with disability on the purchase of basic necessities and prime commodities subject to the guidelines to be issued for the purpose by the Department of Trade and Industry and the Department of Agriculture.

Section 10. Express Lanes for Persons with Disabilities – Express lanes for persons with disability shall be provided in all commercial and government establishments. In the absence thereof, priority shall be given to them in all the transactions of the establishments.

The Civil Service Commission and the Department of the Interior and Local Government shall issue the necessary circulars enjoining all national and local government units to provide express lanes for persons with disability.

Section 11. Proof of Entitlement - The benefits and privileges indicated in the Act are available to persons with disability who are Filipino citizens, upon submission of any of the following as proof of his/her entitlement thereto:

11.1 An identification card issued by the Persons with Disability Affairs Office (PDAO) or the City / Municipal Social Welfare and Development Office (C/MSWDO) of the place where the person with disability resides.

11.2 The passport of the concerned person with apparent disability.

11.3 An identification card issued by the National Council on Disability Affairs. This is on a case-to-case basis for emergency purposes only, provided that the PWD ID number coding shall be retained in accordance with the official residence of the person with disability.

The same benefits and privileges shall be made available to Filipinos who hold foreign passports but are registered as dual citizens and Filipinos who have re-acquired their Filipino citizenship thru Republic Act No. 9225 or the Citizenship Retention and Re-acquisition Act of 2003.

Section 12. No Double Discounts - In the purchase of goods and services which are on promotional discount, persons with disability can avail of the establishment's offered discount or the 20% discount provided herein, whichever is higher and more favorable. In cases where the person with disability is also a senior citizen entitled to a 20% discount under his/her valid senior citizen identification card (ID), the person with disability shall use either his/her PWD ID Card or Senior Citizen ID card to avail of the 20% discount.

Section 13. Tax Deduction - The establishment may claim the discounts provided herein as tax deductions based on the net cost of the goods sold or services rendered: Provided, however, that the cost of the discount shall be allowed as deduction from the gross income for the same taxable



year that the discount is granted: Provided, further, that the total amount of the claimed tax deduction net of Value Added Tax, if applicable, shall be included in their gross sales receipts for tax purposes and shall be subject to proper documentation and to the provisions of the National Internal Revenue Code (NIRC), as amended.

The records of sales of the establishments claiming tax deductions must contain the name of the person with disability, his/her PWD identification card number and if applicable, his/her Tax Identification Number (TIN). Failure on the part of such establishments to include such details in their records of sales would result in the disallowance of the 20% sales discount claimed as deduction and the input tax attributable to VAT exempt sale claimed as cost or expense.

RULE V TAX INCENTIVES

Section 14. Tax Incentives for those Caring for and Living with Persons with Disabilities - Those caring for and living with a person with disability, up to the fourth degree of affinity or consanguinity, shall be granted tax incentives in accordance with the provisions of the National Internal Revenue Code, as amended. For purposes of granting the incentives, persons with disability shall be treated as dependents under Section 35(b) of the National Internal Revenue Code of 1997, as amended, and as such, individual taxpayers providing care for them shall be accorded the privileges granted by the Code insofar as having dependents under the same section is concerned.

The treatment of a person with disability as a dependent however should not be construed to mean an increase in the maximum number of dependents, which is currently limited to four (4) dependents, for which additional personal exemption may be claimed by a taxpayer under Section 35(b) of the National Internal Revenue Code of 1997, as amended."

For this purpose, the Bureau of Internal Revenue shall issue the corresponding Revenue Regulations pertinent to the implementation of the tax incentives and privileges of this Act.

The National Council on Disability Affairs shall revise and disseminate the template of the identification cards of persons with disability to include the name of the guardian, name of the tax claimant, tax identification number of the tax claimant and their contact numbers to facilitate the implementation of this section. It shall also retain the PWD ID number coding by local government unit to facilitate the ease of monitoring of data on the sector in barangays, municipalities, cities, provinces and regions.

RULE VI MONITORING AND REPORTING

Section 15. Monitoring. The National Council on Disability Affairs (NCDA) shall monitor the implementation of these Implementing Rules and Regulations to ensure that persons with disability enjoy the additional benefits and privileges provided by the law. A monitoring scheme shall be developed by the NCDA to secure relevant and up-to-date information on the progress

of its enforcement and this shall cover the consolidation of reports from the Persons with Disability Affairs Office and other government agencies on matters pertaining to their duty and responsibility to establish the necessary information on persons with disability including their availment of tax incentives.

The filing of complaints against the violators of this Act and its Implementing Rules and Regulations shall be with the Persons with Disability Affairs Office under the Local Government Units and/or with the National Council on Disability Affairs for referral and resolution of the proper government agencies.

The enforcement and penalties for the violation of this Act shall be in accordance with Republic Act No. 7277 as amended by Republic Act No. 9442 including its Implementing Rules and Regulations.

RULE VII EFFECTIVITY

Section 16. Effectivity. - These Rules and Regulations shall take effect fifteen (15) days after its complete publication in at least two (2) national newspapers of general circulation and submission to the Office of the National Administrative Register, Law Center, University of the Philippines.


Signed on 01 December 2016 at the Department of Social Welfare and Development, Batasan Pambansa Complex, Constitution Hills, Quezon City.


JUDY M. TAQUIWALO
Secretary

Department of Social Welfare and Development


PAULYN JEAN B. ROSELL-UBIAL
Secretary

Department of Health


CARMEN R. ZUBIAGA
Acting Executive Director
National Council on Disability Affairs

CARLOS G. DOMINGUEZ III
Secretary
Department of Finance
(consulted)