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NEWS RELEASE

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Villar files bill granting tax incentive to parents of children with special needs

Sen. Manny Villar proposed a law that will reduce the tax being paid by parents and guardians of children with special needs.

“This bill seeks to ease the financial burden on families who have children with special needs. Parents and legal guardians will be allowed a tax deduction to help deal with the expensive therapy, education and treatment of the child,” Villar said.

Villar noted that children with disabilities have personal challenges far in excess of those considered regular and healthy children. Parents need to pay for specialized services such as occupational, physical and speech therapies to improve the quality of life of their children.

A child with a disability is understood to be a child who is intellectually disabled, has hearing impairments (including deafness), speech or language impairments, visual impairments, serious emotional disturbance, orthopedic impairment, autism and traumatic brain injury.

Senate Bill No. 2624 once enacted into law shall entitle a qualified taxpayer to a deduction of P50,000. Expenses that qualify for a deduction are:

- Tuition for a private school
- Therapy
- Diagnostic evaluations by a medical professional
- Tutoring
- Transportation expenses to school or a medical facility
- 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.

Under the bill, qualified children with special needs are legitimate, illegitimate or legally adopted child chiefly dependent and living with the taxpayer. This also covers children with special needs who are placed under the legal custody of an immediate family member or relative. The child should not be more than 13 years of age and must be assessed by the Department of Education’s Special Education Division and a medical professional in order to qualify.

This will also cover children with specific learning disability manifested through imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations. This includes conditions such as perceptual disabilities, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia.

Villar cited the report of the Department of Education’s Special Education Division stating that the cost for taking care of a child with a disability is at least double compared to regular children.

Children with a learning disability topped the list of special needs children enrolled in a public elementary school as of 2009. A total of 51,296 children were assessed as learning disabled, while the number of mentally retarded/intellectually disabled children stood at 13, 119. Children who are hearing impaired ranked third with 12,039.

For School Year 2007 to 2008, the number of enrolled children with special needs in public and private elementary schools stood at 92,429. This translates to a 27.6% increase compared to School Year 2004 to 2005’s total of 79,118. Many children no longer pursue secondary education or stay in elementary schools for an extended period of time.

“In the face of rising cost of petroleum products, transportation services and basic commodities, this bill aims to help parents and legal guardians provide better support and special care for a child with special needs by reducing their expenses,” he said.