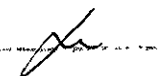


FOURTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

7 SEP 17 12

SENATE  
S. No. 1590

REG. MED. BY: 

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Introduced by **Senator Richard J. Gordon**

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### EXPLANATORY NOTE

Medicines, including essential, life-saving ones, are priced way too steep beyond the reach of ordinary Filipinos. Since these are indispensable and relatively demand-inelastic commodities – where fluctuations in price have little or no effect upon market demand - *certain consumers are placed at a greater economic disadvantage and feel the burden of the increasing medicine prices more than others.* As such, there is a need to rectify the situation and balance the inequity, in line with the constitutional policy giving the highest priority to the enactment of measures that reduce social inequalities, promote the availability of health services to people at an affordable cost, and prioritize the needs of the underprivileged and the elderly.

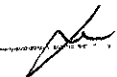
In view of this policy, this bill seeks to provide a sensible solution to the rising cost of medicines, making it more affordable and accessible to ordinary Filipinos, by granting a 20% discount, exempt from the twelve percent (12%) value-added tax imposed by Republic Act No. 9337, on the sale of medicine to government employees, senior citizens, and indigents.

In view thereof, the passage of this bill is earnestly sought.

  
**RICHARD J. GORDON**  
Senator

7 SEP 17 2016

SENATE  
S. No. 1590

FILED BY 

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Introduced by **Senator Richard J. Gordon**

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**AN ACT**  
**GRANTING GOVERNMENT EMPLOYEES, SENIOR CITIZENS AND INDIGENTS A**  
**TWENTY PERCENT (20%) DISCOUNT ON THE SALE OF MEDICINES**

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

1       **SECTION 1. Policy.** – It is the policy of the State to adopt measures that reduce  
2 social inequality, promote the availability of health services to people at an affordable cost,  
3 and prioritize the needs of the underprivileged and elderly.

4       **Sec. 2. Discount on Medicines.** – A twenty percent (20%) discount on the sale of  
5 medicines in all establishments, except Botika ng Bayan outlets, shall be granted to the  
6 following:

- 7       (a) government employees;  
8       (b) senior citizens; and  
9       (c) indigents, as certified by the barangay where such indigent resides.

10       **Sec. 3. Exemption from Value-Added Tax.** - The sale of medicines under section  
11 2 of this Act shall be exempt from the Expanded Value Added Tax as provided under the  
12 National Internal Revenue Code, as amended.

13       **Sec. 4. Proof of Entitlement.** – In availing of the discount mentioned in section 2 of  
14 this Act, the following documents shall serve as proof of entitlement:

- 15       (a) For government employees, a valid government ID or their GSIS card;  
16       (b) For senior citizens, any of the documents enumerated in Republic Act No.  
17 9257, otherwise known as the Expanded Senior Citizens Act of 2003;  
18       (c) For indigents, a barangay certificate of indigency.

19       **Sec. 5. Implementing Rules and Regulations.**- The Department of Health, within  
20 sixty (60) days from the approval of this Act, shall promulgate the implementing rules and

1 regulations for the effective implementation of the provisions of this Act, in consultation and  
2 coordination with other concerned agencies and offices.

3 **Sec. 6. Repealing Clause.** – All laws, decrees, orders, rules and regulations or  
4 other issuances or parts thereof inconsistent with the provisions of this Act are hereby  
5 repealed or modified accordingly.

6 **Sec. 7. Separability Clause.** – If any portion or provision of this Act is declared  
7 unconstitutional, the remainder of this Act or any provision not affected thereby shall remain  
8 in force and effect.

9 **Sec. 8. Effectivity.** – This Act shall take effect after fifteen (15) days following the  
10 completion of its publication either in the Official Gazette or in a newspaper of general  
11 circulation in the Philippines.

12 Approved,