

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

8 MAY 21 PM 25

SENATE

RECEIVED BY: 

S. No. **2309**

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Introduced by Senator Manny Villar

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### EXPLANATORY NOTE

In order to give life to the constitutional provisions on the priority of the elderly in the adoption of social services and programs for social security under Article XV Section 4 and Article XIII Section 11, Republic Act No. 7432 or the "Senior Citizens Act", as amended by Republic Act No. 9257 or the "Expanded Senior Citizens Act of 2003", provided for the grant of benefits and special privileges for senior citizens. Section 4 f said of the Senior Citizens Act as amended, provided for a twenty percent (20%) discount to senior citizens .


However, with the passage and implementation of Republic Act No. 9337 or the EVAT Law imposing additional taxes for the purchase of goods, properties and services, the benefits provided by the Senior's Citizen Act were reduced.

The Bureau of internal Revenue has issued Revenue Regulation 4-2006, amended by Revenue Regulation 1-2007, implementing the tax privileges provision of Republic Act No. 9257. The said regulation provides the application of 12% VAT to the discounted sale amount. As a result, Seniors Citizen effectively get a discount of only eight percent vis-à-vis the intended 20% under Republic Act No. 9257.

Per newspaper reports, senior citizen groups and the Department of Finance have recommended that legislation be passed to increase the discount on purchases and restore the benefit.

Thus, it is necessary to pass a bill to rectify and compensate the burden and negative effect of and caused by the increased value-added tax (VAT) on the discounted rate for purchases made by senior citizens covered by VAT.

In view of the foregoing, the passage of this measure is earnestly sought.

  
MANNY VILLAR

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**AN ACT AMENDING SECTION 4 OF REPUBLIC ACT NO. 7432, AS AMENDED BY REPUBLIC ACT NO. 9257, TO COMPENSATE THE NEGATIVE EFFECTS OF REPUBLIC ACT NO. 9337 ON THE DISCOUNT PRIVILEGE OF SENIOR CITIZENS PROVIDED THEREUNDER AND FOR OTHER PURPOSES**

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

SECTION 1. Section 4 of Republic Act No. 7432, "AN ACT TO MAXIMIZE THE CONTRIBUTION OF SENIOR CITIZENS TO NATION BUILDING, GRANT BENEFITS AND SPECIAL PRIVILEGES AND FOR OTHER PURPOSES", as amended by Republic Act No. 9257, or the "EXPANDED SENIOR CITIZENS ACT OF 2003", is hereby further amended to read as follows:

'SEC. 4. Privileges for the Senior Citizens. - The senior citizens shall be entitled to the following:

(a) the grant of [twenty percent (20%)] Thirty-Four percent (34%) discount from all establishments relative to the utilization of services in hotels and similar lodging establishment restaurants and recreation centers, and purchase of medicines in all establishments for the exclusive use or enjoyment of senior citizens, including funeral and burial services for the death of senior citizens;

(b) a minimum of [twenty percent (20%)] Thirty-Four percent (34%) discount on admission fees charged by theaters, cinema houses and concert ha&, circuses, carnivals, arid other similar places of culture, leisure and amusement for the exclusive use or enjoyment of senior citizens;

(c) m;

(d)xxx;

(f) the grant of [twenty percent (20%)] Thirty-Four percent (34%) discount on medical and dental services, and diagnostic and laboratory fees provided under Section 4(e) hereof including professional fees of attending doctors in all private hospitals and medical facilities, in accordance with the rules and regulations to be

issued by the Department of Health, in coordination with the Philippine Health Insurance Corporation;

(g) the grant of [twenty percent (20%)] ~~Thin~~ -Four percent (34%) discount in fare for domestic air and sea travel for the exclusive use or enjoyment of senior citizens;

(h) the grant of twenty percent (20%)] ~~Thirty-Four~~ percent (34%) discount in public railways, skyways and bus fare for the exclusive use and enjoyment of senior citizens;

(i) xxx;

(k) xxx;

(l) xxx; and

(m)xxx.”

**SECTION 2. Amendment of Implementing Rules and Regulations —** Within thirty (30) days from the effectivity of this Act the Secretary of Social Welfare and Development shall formulate and adopt amendments to the existing rules and regulations implementing Republic Act No. 7432, as amended by Republic Act No. 9257, to carry out the objectives of this Act in consultation with the Department of Health, Department of Labor and Employment Department of Education, Department of Transportation and Communications, Department of Justice: Department of Interior and Local Government Department of Trade and Industry, Department of Finance, Commission of Higher Education, Technical Education and Skills Development Authority, National Economic and Development Authority, Housing and Urban Development Coordinating Council, Five (5) non-governmental organizations of people’s organizations for the senior citizens duly accredited by the DSWD.

**SECTION 3. Repealing Clause -** All laws, executive orders, rules and regulations, or any part thereof inconsistent herewith are deemed repealed or modified accordingly.

**SECTION 4. Effectivity -** This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation, whichever comes earlier.

Approved,