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SENATE
S.B. No. **2884**

RECEIVED BY: *J*

Introduced by Senator Poe

AN ACT GRANTING TO SENIOR CITIZENS A MINIMUM OF FIVE PERCENT (5%) DISCOUNT ON THE FIRST 150 KILOWATT HOURS OF ELECTRICITY AND ON THE FIRST 50 CUBIC METERS OF WATER CONSUMPTION, AND EXEMPTION FROM THE VALUE-ADDED TAX (VAT), AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 9994, OTHERWISE KNOWN AS THE EXPANDED SENIOR CITIZENS' ACT OF 2010

EXPLANATORY NOTE

The 1987 Philippine Constitution, in particular Article II, is known for its strong provisions on social justice and fair treatment of citizens:

- Section 5. The maintenance of peace and order, the protection of life, liberty, and property, and promotion of the general welfare are essential for the enjoyment by all the people of the blessings of democracy;
- Section 9. The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all;
- Section 10. The State shall promote social justice in all phases of national development; and
- Section 11. The State values the dignity of every human person and guarantees full respect for human rights.

Since the implementation of Republic Act No. 9994, otherwise known as the Expanded Senior Citizens Act of 2010, several issues and complaints have been received by concerned government agencies regarding violations or non-compliance by certain establishments. R.A. 9994 recognizes the great contributions of our senior citizens to nation building in that they are considered as "integral part of the Philippine society."

Despite the clear intentions of R.A. 9994 in extending the privileges provided to our senior citizens, there is the imperative need to further amend certain provisions of this law to insure its proper implementation.

For instance, the spirit of the law in granting 5% discount to a senior citizen on the monthly utilization of water and electricity has been hampered because Section 4(c) of RA 9994 limits its application to those senior citizens whose consumption does not exceed 100 kilowatt hours (kWh) of electricity and thirty cubic meters (30m³) of water. In other words, if a senior citizen consumes, say 100.1 kwh or 30.1 cubic meters of water, he would no longer be entitled to

the 5% discount. Thus, the need to amend this law to apply the 5% discount to the first 100 kwh or the first 30 cubic meters of water. And the senior citizens are not even entitled to VAT exemption despite the very small amount of discount for these utility items.

To extend full benefits to our senior citizens, this bill seeks to further amend the consumption threshold for electric and water bills in that the 5% discount shall apply to the first 150 kWh of electricity and the first fifty (50) cubic meters of water consumed in a household where the senior citizen resides and the electric or water meter is registered in his/her name.

It is respectfully requested that this bill be enacted into law.


GRACE POE

15 AUG -4 AM 39

SENATE
S.B. No. 2884

RECEIVED BY: 

Introduced by Senator Poe

AN ACT GRANTING TO SENIOR CITIZENS A MINIMUM OF FIVE PERCENT (5%) DISCOUNT ON THE FIRST 150 KILOWATT HOURS OF ELECTRICITY AND ON THE FIRST 50 CUBIC METERS OF WATER CONSUMPTION, AND EXEMPTION FROM THE VALUE-ADDED TAX (VAT), AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 9994, OTHERWISE KNOWN AS THE EXPANDED SENIOR CITIZENS' ACT OF 2010

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

1 1. Section 1. Section 4(c) of Republic Act No. 9994 is hereby amended to read as follows:

2
3 "SEC. 4. Privileges for the Senior Citizens. –

4
5 The senior citizens shall be entitled to the following:

6
7 xxxxx

8
9 xxxxx

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11 “(c) the grant of a minimum of five percent (5%) discount on the first one hundred fifty
12 (150) kilowatt hours (kWh) and on the first fifty (50) cubic meters relative to their monthly
13 utilization of water and electricity supplied by the public utilities, and exemption from the
14 value-added tax (VAT), *Provided,* That the individual meters for the foregoing utilities are
15 registered in the name of the senior citizen residing therein: *and Provided, furthermore,* That the
16 privilege is granted per household regardless of the number of senior citizens residing therein.

17
18 Section 2. Implementing Rules and Regulations.- Within thirty (30) days from the
19 enactment of this law, the concerned agencies named under Republic Act No. 9994 shall
20 promulgate the implementing rules and regulations.

21
22 Section 3. Separability Clause. Should any of the provisions above be held
23 unconstitutional, then the remaining provisions shall remain effective.

24
25 Section 4. Effectivity Clause. – This Act shall take effect fifteen (15) days after its
26 publication in Official Gazette or in at least two (2) national newspapers of general circulation.

27
28 Approved,