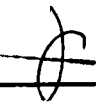


SEVENTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session



'16 JUL 26 A8:58

SENATE
S.B. 872

RECEIVED BY: 

Introduced by Senator Poe

AN ACT
GRANTING SENIOR CITIZENS A MINIMUM OF FIVE PERCENT (5%) DISCOUNT ON THE FIRST 150 KILOWATT HOURS OF ELECTRICITY CONSUMPTION 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

Article II of the 1987 Philippine Constitution is replete with 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.

In the case of senior citizens, the above-listed constitutional principles are embodied in Republic Act No. 9994, otherwise known as the "*Expanded Senior Citizens Act of 2010*". 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." Said constitutional principles partially fulfill the right of elderly citizens to "...adequate food, water, shelter, clothing and health care through the provision of income, family and community support and self-help."¹

Several issues and complaints, however, have been received by concerned government agencies regarding violations or non-compliance by certain establishments with the benefits provided under R.A. 9994. There is a need to further amend certain provisions of said law to ensure 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 Value-Added Tax (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 or her name.

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


GRACE POE


¹ United Nations Principles for Older Persons. Adopted by General Assembly resolution 46/91 of 16 December 1991.



Senate
Office of the Secretary

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AN ACT
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ON THE FIRST 150 KILOWATT HOURS OF ELECTRICITY CONSUMPTION 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 House of Representatives in Congress assembled,

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

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11

“SEC. 4. Privileges for the Senior Citizens-

xxx

xxx

12 “(c) the grant of a minimum of five percent (5%) discount on the first one hundred
13 fifty (150) kilowatt hours (kWh) and on the first fifty (50) cubic meters relative to their
14 monthly utilization of water and electricity supplied by the public utilities, and exemption
15 from the value added tax (VAT), *Provided*, That the individual meters for the foregoing

1 utilities are registered in the name of the senior citizen residing therein: *and Provided,*
2 *furthermore,* That the privilege is granted per household regardless of the number of senior
3 citizens residing therein.”

4
5 **Section 2. Implementing Rules and Regulations.** - Within thirty (30) days from the
6 enactment of this law, the concerned agencies named under Republic Act No. 9994 shall
7 promulgate the implementing rules and regulations.

8
9 **Section 3. Separability Clause.** Should any of the provisions above be held
10 unconstitutional, then the remaining provisions shall remain effective.

11
12 **Section 4. Effectivity Clause.** - This Act shall take effect fifteen (15) days after its 26
13 publication in Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,