

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

7 JUN 30 12:04

SENATE

RECEIVED BY: 

S. No. 1

INTRODUCED BY THE HONORABLE JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE


This bill seeks to reaffirm the constitutional mandate and the legislative intent to make essential goods, health and other special services available to all people at affordable cost, especially to the elderly.

Pursuant to Article XV, Section 4 of the Constitution, it is the duty of the family to take care of its elderly members while the State may design programs of social security for them. In light thereof, Republic Act No. 7432 was enacted granting senior citizens twenty percent (20%) discount from all establishments anywhere in the country relative to the purchase of medicine.

This twenty percent (20%) discount, however, was effectively reduced to ten percent (10%) because of the imposition of the value-added tax. When the value-added tax was increased to twelve percent (12%), the discount granted to senior citizens was further reduced to eight percent (8%).

Considering that medicine is very essential to preserve the frail health of elderly, it is imperative that the full twenty percent (20%) discount be reinstated and enjoyed by them, without having to bear the burden of the value-added tax.

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


JINGGOY EJERCITO ESTRADA
Senator

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AN ACT
EXEMPTING THE PURCHASE OF MEDICINE BY SENIOR CITIZENS FROM
THE COVERAGE OF THE VALUE ADDED TAX, AND AMENDING SECTION
109 (1) OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED.

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

Section 1. Section 109 (1) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

“SEC. 109. *Exempt Transactions.* – (1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax:

x x x

“(W) SALES OF MEDICINE TO SENIOR CITIZENS WHO ARE ENTITLED TO THE PRIVILEGES UNDER SECTION 4 OF REPUBLIC ACT NO. 7432 OR THE SENIOR CITIZENS ACT.”

Section 2. All laws, decrees and orders or parts thereof inconsistent herewith are deemed repealed or modified accordingly.

Section 3. This Act shall take effect fifteen (15) days following its publication in a newspaper of general circulation in the Philippines.

Approved,