

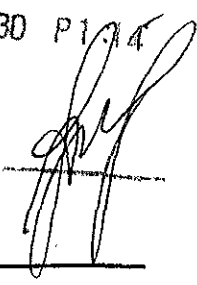
FOURTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
*First Regular Session*

SENATE  
OFFICE OF THE SECRETARY

7 JUN 30 P 1 14

SENATE

S. No. 65

RECEIVED BY: 

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Introduced by SENATOR EDGARDO J. ANGARA

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**EXPLANATORY NOTE**

All throughout our youth, we work hard and save up for a comfortable retirement. We look forward to the day when we could watch our grandchildren play and devote ourselves to activities beyond the rigors of labor.


It is a time-honored tradition to care for the elderly and ensure that they are supported in their twilight days.

In 1992, I authored and sponsored the Senior Citizen's Law which grants benefits and special privileges to the Filipino elderly. It was a first and monumental attempt to give life to Article XV, Section 4 of the Constitution, which states that "it is the duty of the family to take care of the elderly while the Senate may design programs of social security for them"

In the law, the senior citizens are entitled to a 20% discount on the purchase of goods and services, medical and dental services, transport fare, funeral and burial services, among others. This is also under Republic Act No. 9257, otherwise known as the "Expanded Senior Citizens Act of 2003,"


The 20% discount privilege granted to senior citizens has eased their daily budget to a reasonable extent that allows them to maximize their resource-spending. It has also improved the total well-being of the elderly permitting full participation in society.

On May 24, 2005, however, upon the enactment of RA 9337 more popularly known as the Expanded Value Added Tax (EVAT), a value-added tax equivalent to ten (10%) percent of the gross selling price or gross value in money of the goods or properties, is levied, assessed and collected every sale, barter or exchange of goods or properties. This was later increased to twelve (12%) percent by the President in the year 2006, thus, the discount privilege granted to the elderly is effectively diminished. As a result, senior citizens are enjoying only an 8% discount. This prevents the elderly from fully enjoying the benefits mandated by law.

This bill addresses this discrepancy and seeks to exempt senior citizens from the Expanded Value Added Tax of the sale of goods and services. Hence, RA 9257 must be amended in order to allow the senior citizens to enjoy the full 20% discount privilege. 

Let us continue motivating and encouraging our elderly to contribute to nation building, and encourage their families and other communities to reaffirm their tradition of caring for the elderly.

Let us not begrudge them of their miles to walk before they sleep.

  
EDGARDO J. ANGARA  
Senator

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AN ACT EXEMPTING FROM THE EXPANDED VALUE ADDED  
TAX THE SALE OF GOODS AND SERVICES TO SENIOR  
CITIZENS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO.  
9257, OTHERWISE KNOWN AS THE "EXPANDED SENIOR  
CITIZENS ACT OF 2003".

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

1       **SECTION 1.** Section 4 of Republic Act No. 9257 is hereby amended  
2 to read as follows:

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

5               a)     xxx                               xxx                               xxx

6               The establishment may claim the discounts granted under (a),  
7 (f), (g) and (h) as tax deduction based on the net cost of the  
8 goods sold or services rendered: *Provided*, that the cost of the  
9 discount shall be allowed as deduction from gross income for  
10 the same taxable year that the discount is granted: *Provided*,  
11 *further*, that the total amount of the claimed tax deduction  
12 net of value added tax if applicable, shall be included in their  
13 gross sales receipts for tax purposes and shall be subject to  
14 proper documentation and to the provisions of the National  
15 Internal Revenue Code, as amended.

16               ANY PROVISION OF LAW TO THE CONTRARY  
17 NOTWITHSTANDING, THE SALE OF GOODS AND SERVICES

1 TO SENIOR CITIZENS UNDER (A), (B), (F), (G) and (H) OF THIS  
2 SECTION SHALL BE EXEMPT FROM THE EXPANDED  
3 VALUE ADDED TAX AS PROVIDED UNDER THE NATIONAL  
4 INTERNAL RE-VENUE CODE, AS AMENDED.

5 **XXX XXX XXX"**

6 **SECTION 2.** This Act shall take effect fifteen (15) days after its  
7 complete publication in at least two (2) national newspapers of general  
8 circulation

9

10 Approved,