

Thus, it is the bill's purpose to grant higher tax exemption to the elderly and senior citizens, than what the present law provides. And, considering that it is the Filipino culture to help their elders and aging parents, such assistance must likewise be given corresponding recognition by allowing the grateful son or daughter to claim for the tax exemption for providing support to their parents who are considered elderly or senior citizens.

Further, since under the present law, medical costs and expenses are not tax deductible, and surely, since it is the elderly and the senior citizens who need more and regular medical attention and treatment, it is time that they be allowed to claim such expenses, as deduction from their or their son/daughter's taxable income or earnings.


ALFREDO S. LIM

Senator

THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
THIRD REGULAR SESSION)

7 JAN 17 2014

SENATE

RECEIVED BY: Feb

S. B. No. 2567

Introduced by SENATOR ALFREDO S. LIM

AN ACT
EXEMPTING THE BENEFITS OF SENIOR CITIZENS
FROM THE VALUE ADDED TAX (VAT) AND OTHER
SIMILAR TAX LAWS, AMENDING FOR THE
PURPOSE REPUBLIC ACT. NO. 9257

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

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

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

5 (a) the grant of twenty percent (20%) discount from all
6 establishments relative to utilization of services in hotels and similar
7 lodging establishments, restaurants and recreation centers, and
8 purchase of medicines in all establishments for the exclusive use or
9 enjoyment of senior citizens, including funeral and burial services for the
10 death of senior citizens;

11 (b) a minimum of twenty percent (20%) discount on admission
12 fees charged by theaters, cinema houses and concert halls, circuses,
13 carnivals, and other similar places of culture, leisure and amusement for
14 the exclusive use or enjoyment of senior citizens;

15 (c) exemption from the payment of individual income taxes:

16 *Provided,* That their annual taxable income does not exceed the poverty

17 level as determined by the National Economic and Development
18 Authority (NEDA) for that year;

19 (d) exemption from training fees for socioeconomic programs;

20 (e) free medical and dental services, diagnostic and laboratory
21 fees such as, but not limited to, x-rays, computerized tomography scans
22 and blood tests, in all government facilities, subject to the guidelines to
23 be issued by the Department of Health in coordination with the
24 Philippine Health Insurance Corporation (PHILHEALTH);

25 (f) the grant of twenty percent (20%) discount on medical and
26 dental services, and diagnostic and laboratory fees provided under
27 Section 4(e) hereof, including professional fees of attending doctors in all
28 private hospitals and medical facilities, in accordance with the rules and
29 regulations to be issued by the Department of Health, in coordination
30 with the Philippine Health Insurance Corporation;

31 (g) the grant of twenty percent (20%) discount in fare for
32 domestic air and sea travel for the exclusive use or enjoyment of senior
33 citizens;

34 (h) the grant of twenty percent (20%) discount in public railways,
35 skyways and bus fare for the exclusive use and enjoyment of senior
36 citizens;

37 (i) educational assistance to senior citizens to pursue post
38 secondary, tertiary, post tertiary, as well as vocational or technical
39 education in both public and private schools through provision of
40 scholarships, grants, financial aid, subsidies and other incentives to
41 qualified senior citizens, including support for books, learning materials,
42 and uniform allowance, to the extent feasible: *Provided*, That senior
43 citizens shall meet minimum admission requirements;

44 (j) to the extent practicable and feasible, the continuance of the

45 same benefits and privileges given by the Government Service Insurance
46 System (GSIS), Social Security System (SSS) and PAG-IBIG, as the case
47 may be, as are enjoyed by those in actual service.

48 (k) retirement benefits of retirees from both the government and
49 the private sector shall be regularly reviewed to ensure *their continuing*
50 responsiveness and sustainability, and to the extent practicable and
51 feasible, shall be upgraded to be at par with the current scale enjoyed by
52 those in actual service.

53 (l) to the extent possible, the government may grant special
54 discounts in special programs for senior citizens on purchase of basic
55 commodities, subject to the guidelines to be issued for the purpose by the
56 Department of Trade and Industry (DTI) and the Department of
57 Agriculture (DA); and

58 (m) provision of express lanes for senior citizens in all
59 commercial and government establishments; in the absence thereof,
60 priority shall be given to them.

61 In the availment of the privileges mentioned above, the senior
62 citizen or elderly person may submit as proof of his/her entitlement
63 thereto any of the following:

64 (a) an ID issued by the city or municipal mayor or of the barangay
65 captain of the place where the senior citizen or the elderly resides;

66 (b) the passport of the elderly person or senior citizen concerned;
67 and

68 (c) other documents that establish that the senior citizen or elderly
69 person is a citizen of the Republic and is at least sixty (60) years of age.

70 The establishment may claim the discounts granted under (a), (f),
71 (g) and (h) as tax deduction based on the net cost of the goods sold or
72 services rendered: *Provided*, That the cost of the discount shall be

73 allowed as deduction from gross income for the same taxable year that
74 the discount is granted. *Provided, further,* That the total amount of the
75 claimed tax deduction net of value added tax if applicable, shall be
76 included in their gross sales receipts for tax purposes and shall be subject
77 to proper documentation and to the provisions of the National Internal
78 Revenue Code, as amended. **PROVIDED, FINALLY, THAT, THE**
79 **ABOVE-ENUMERATED PRIVILEGES AND/OR ANY OTHER**
80 **BENEFITS ELSEWHERE GRANTED IN THIS ACT, SHALL NOT**
81 **BE REDUCED, DIMINISHED NOR DELETED OR, IN ANY**
82 **OTHER MANNER, ADVERSELY CHANGED TO THE**
83 **DETRIMENT OF THE SENIOR CITIZENS, BY WAY OF ANY**
84 **LEGISLATIVE ACT AND/OR ANY ADMINISTRATIVE**
85 **RULINGS, EXISTING OR MAY BE ENACTED AFTER THIS**
86 **ACT, INCLUDING BUT NOT LIMITED TO R.A. NO. 9337 OF**
87 **JULY 1, 2005; ENSURING AMONG OTHERS THAT THE SALES**
88 **BY ANY RETAILER, WHOLESALER, MANUFACTURER OR**
89 **ANY OTHER ESTABLISHMENT TO A SENIOR CITIZEN OF**
90 **MEDICINES, FOOD AND OTHER SUPERMARKET ITEMS AND**
91 **ANY OTHER PRODUCTS AND/OR SERVICES CONCERNING**
92 **THE HEALTH, SUBSISTENCE AND WELL-BEING OF SAID**
93 **SENIOR CITIZEN SHALL NOT BE SUBJECTED TO ANY**
94 **VALUE ADDED TAXES AND/OR ANY OTHER NATIONAL OR**
95 **LOCAL TAXES.**

96 Section 2. *Promulgation of Rules.* – The Office of Senior Citizens Affairs
97 (OSCA), the Department of Trade and Industry and the Bureau of Internal
98 Revenue shall promulgate not later than fifteen (15) days from effectivity of this
99 Act, Rules and Regulations for the implementation of this Act.

100 Section 3. *Penalty for Violation.* – Any person, proprietor, manager,

101 owner or employer of any store, firm or commercial establishment found
102 violating this Act shall, upon conviction, be sentenced to suffer the penalty of six
103 (6) months to three (3) years imprisonment or a fine of Three Thousand Pesos
104 (₱3,000.00) or both in the discretion of the court.

105 Section 4. *Effectivity*. – This Act shall take effect fifteen (15) days after
106 its publication in a newspaper of general circulation.

107 Approved _____