

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2938



INTRODUCED BY HONORABLE DR. REY B. AQUINO

EXPLANATORY NOTE

RA 9257 or the "Expanded Senior Citizens Act of 2003" was approved and signed by the President on February 26, 2004 and became effective on March 21, 2004 (or 15 days after its complete publication in Malaya on March 6, 2004).

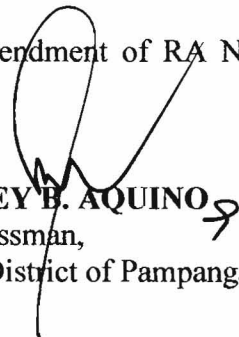
To date, however, the country's 5.4 Million senior citizens have not yet enjoyed the 20% discount granted by the law for the reason that the Implementing Rules and Regulations (IRR) to the senior citizens law have yet to be signed by all government departments concerned.

The delay in the issuance of the IRR is not without basis, for the concept of the 20% discount in the Expanded Senior Citizens Act of 2003 is flawed. In gist, it transfers the duty and cost of helping senior citizens from society in general to the tax paying private enterprises. In a sense, this is a form of undue taxation that impacts negatively on businesses, particularly those that are small and medium scale. Because of low consumer buying power, retail merchants are hardly able to add a decent mark-up on the items they sell or services they offer. The law gives them an additional burden of having to sell to senior citizens at a loss.

In the same vein, the law, as it is presently worded, gives senior citizens the 20% discount on all medicines, disregarding the fact that, on branded medicines, drugstore owners earn less than the discount that they are required to give. On the whole, therefore, the law gave a privilege to the senior citizens, but did so at the expense of the retail and service establishments. Also, since the law provided only for a Tax Deduction instead of a Tax Credit, establishments affected stand to lose .68 centavos for every P 1.00 discount given to the senior citizens. That means that only .32 centavos will be reimbursed by the government, and the rest of the .68 centavos will have to be scraped from the pockets of the establishments.

Instead of establishments unnecessarily raising their prices to abnormally high levels to recover the cost of the senior citizen discount, it would seem wiser, at this point in time, to amend the law, bearing in mind the welfare of each and every sector of the society, while correspondingly complementing the existing Generics Law.

Toward this end, approval of this bill for the amendment of RA No. 9257 is earnestly requested.


DR. REY B. AQUINO
Congressman,
Third District of Pampanga

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Introduced by Representative Dr. Rey B. Aquino

**AN ACT PROVIDING FOR ADDITIONAL BENEFITS
FOR SENIOR CITIZENS, AMENDING FOR THIS
PURPOSE REPUBLIC ACT NO. 9257 OTHERWISE
KNOWN AS THE EXPANDED SENIOR CITIZENS ACT
OF 2003.**

SECTION 1. Title – This Act shall be known as the “Revised Expanded Senior Citizens Act of 2004”.

SECTION 2. Section 4 (a) of R.A. 9257 is hereby amended as follow:

‘Section 4. Privileges for Senior Citizens. – The senior citizen shall be entitled to the following:

“a.) the grant of twenty percent (20%) discount from all establishments relative to the utilization of services in hotels and similar lodging establishments, restaurants and recreation centers, including funeral and burial services for the death of senior citizens, and purchase of *doctor-prescribed unbranded generic* medicines in all establishments for the exclusive use or enjoyment of senior citizens; *Provided, that in the purchase of doctor-prescribed branded medicines, a five-percent (5%) discount shall be given to senior citizens; Provided, finally, that doctors are required to strictly comply with the generic prescribing, to the extent practicable and possible, in compliance with Generics Law.*

SECTION 3. Repealing Clause. – All laws, decrees, executive orders, rules and regulations or parts thereof contrary to, or inconsistent with this Act are hereby modified or repealed accordingly.

SECTION 4. Effectivity. – This Act shall take effect upon its approval.

APPROVED.