

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. 1702



Introduced by Representatives
HORACIO P. SUANSING, JR. and MIKAELA ANGELA B. SUANSING

AN ACT
INCREASING THE DISCOUNT RATE AND EXEMPTING FROM THE VALUE
ADDED TAX THE MONTHLY ELECTRIC AND WATER CONSUMPTION
GRANTED TO SENIOR CITIZENS, AMENDING FOR THE PURPOSE REPUBLIC
ACT NO. 9994, OTHERWISE KNOWN AS THE "EXPANDED SENIOR CITIZENS
ACT OF 2010"

EXPLANATORY NOTE

"Those who have less in life should have more in law." This famous slogan has been the guidepost of the government in crafting policies that will ultimately address the inherent inequalities in our society. Its strong thrust emanates from the social justice provision of our Constitution, which expressly provides that the State shall adopt an integrated and comprehensive approach to health development, which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost. There shall be priority for the needs of the underprivileged, sick, elderly, disabled, women and children. Further, the Constitution also mandates the filial duty of the family to take care of its elderly members as well as the complementary role of the State to provide social security.

Our utmost care and regard for the welfare of older people has long been embedded in the Filipino psyche, traditions and culture. This has also extended to our legal system to further recognize the contributions of our senior citizens to nation building, and to establish mechanisms and programs to further protect their rights and promote access to adequate food, water, shelter, clothing and health care. For instance, Republic Act No. 7432, as amended by Republic Act No. 9994, has instituted the grant of discounts to various goods and services in order to alleviate the financial burden of families with senior citizens. Under the Section 4 (c) of the Expanded Senior Citizens Act of 2010, senior citizens are entitled to a five percent (5%) discount on the monthly utilization of their water and electricity, provided that the consumption does not exceed 100 kilowatt hours of electricity and 30 cubic meters of water.

However, numerous reports have reached concerned government offices that the usage thresholds have unduly restricted the eligibility of senior citizens to avail of the discounts. On the other hand, service providers argue that while they fully support the intent of the law, their hands are tied as they only comply with its express mandate. In addition, the prevailing socio-economic circumstances have also contributed to the non-availment, as the average consumption of most households are generally higher than the prescribed threshold. As a result,

its intended purpose of providing economic relief is defeated, and the number of beneficiaries has been narrowed down.

As such, this bill seeks to rectify this legal infirmity by increasing the discount rate from 5% to 10%, expanding the threshold from 100 kwh to 150 kwh for electricity consumption and granting exemption from Value Added Tax (VAT) for these utility fees. With these amendments, it is expected that more senior citizens will be able to avail of the discounts, and that our beloved *lolos* and *lolas* will have more disposable income for other equally important living expenses such as medicine, food, and shelter.

In view of the foregoing, the approval of this bill is earnestly sought.¹


HORACIO P. SUANSING, JR.
2nd District of Sultan Kudarat


MIKAELA ANGELA B. SUANSING
1st District of Nueva Ecija

¹ HB No. 10568, the substitute bill has been approved by the House and later on transmitted to the Senate on 24 January 2022 during the 18th Congress.

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ADDED TAX THE MONTHLY ELECTRIC AND WATER CONSUMPTION
GRANTED TO SENIOR CITIZENS, AMENDING FOR THE PURPOSE REPUBLIC
ACT NO. 7432, AS AMENDED, OTHERWISE KNOWN AS THE "EXPANDED
SENIOR CITIZENS ACT OF 2010"

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

SECTION 1. Section 4 (c) of Republic Act No. 7432, as amended, is hereby further amended to read as follows:

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

x x x

(c) the grant of a minimum of [five percent (5%)] **TEN PERCENT (10%)** discount relative to the monthly utilization of water and electricity supplied by the public utilities **AND EXEMPTION FROM THE VALUE ADDED TAX (VAT):** Provided, That the individual meters for the foregoing utilities are registered in the name of the senior citizen residing therein: Provided, further, That the monthly consumption does not exceed [one hundred kilowatt hours (100 kWh)] **ONE HUNDRED FIFTY KILOWATT HOURS (150 kWh)** of electricity and thirty cubic meters (30m³) of water: Provided, furthermore, That the privilege is granted per household regardless of the number of senior citizens residing therein, **AND THE REGISTERED SENIOR CITIZEN CONTINUES TO LIVE WITHIN THE HOUSEHOLD ADDRESS;**

SEC. 2. Within thirty (30) days after the effectivity of this Act, the National Commission of Senior Citizens shall, in consultation with the Energy Regulatory Commission, Metropolitan Waterworks and Sewerage System and other concerned utility regulatory agencies, as well as national organizations of senior citizens, promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 3. If any provision of this Act is declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.

SEC. 4. All laws, orders, decrees, rules and regulations, and other parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 5. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,