



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL No. 5425



Introduced by HONORABLE ERNESTO “ERNIX” M. DIONISIO, JR.

**AN ACT EXPANDING THE GRANT OF 20% DISCOUNT AND EXEMPTION FROM
THE VALUE ADDED TAX (VAT) TO SENIOR CITIZENS TO INCLUDE
MEDICINES, SUPPLEMENTS, VITAMINS, HERBAL PRODUCTS AND
FORMULATED MILK MEDICALLY DULY PRESCRIBED OR RECOMMENDED BY
PHYSICIANS**

EXPLANATORY NOTE

Elderly people or senior citizens are those who are aged sixty (60) years old and above. In the Philippines, there is an estimate of around 9.22 million senior citizens or around 8.5% of the population of the Philippines. It drastically increased from 7.53 million or around 7.5% of the population in 2015¹.

One of the characteristics that we Filipinos have is our innate respect and value given to our elderly family members. We grew up in an environment wherein we were taught at a young age that we should respect elderlies and care for them, that at the time when they are the ones in need we are the ones who will care for them, like how they used to care for us when we were the ones in need.

¹ Age and Sex Distribution in the Philippine Population (2020 Census of Population and Housing) available at <https://psa.gov.ph/population-and-housing/node/167965> (last accessed on September 25, 2022).

The duty to care for our senior citizens does not solely depend upon the family but also the Constitution mandates that the State also has the duty to care for them. The 1987 Constitution² provides that:

The family has the duty to care for its elderly members but the State may also do so through just programs of social security.

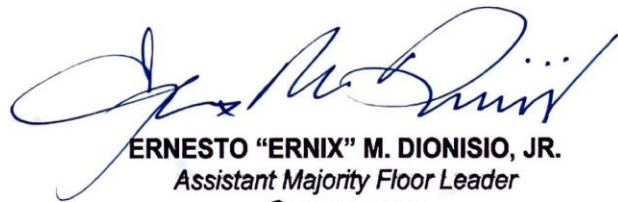
There are a lot of enacted laws geared towards the protection and support of our senior citizens. One of which is Republic Act No. 9257, or the “Expanded Senior Citizens Act of 2003”, this law made it mandatory for business establishments to grant a 20% discount on certain goods and services availed by the senior citizens. Further, the law was amended by Republic Act No. 9994 or the “Expanded Senior Citizens Act of 2010”, it further granted senior citizens an additional 12% value-added tax exemption.

Under R.A. No. 9994, it states that the grant of 20% discount and exemption from the value-added tax (VAT) is applicable on the purchase of medicines, professional fees and other medical services³. The law failed to define what is covered by term medicine that should be granted discount and exempted from VAT. Moreover, the basic necessities needed by our senior citizens are not only limited to their medicines. Despite discounts and exemption granted to the purchase of their medicines, they also need to purchase vitamins, supplements, herbal medicine and also milk.

This bill aims to clarify and include other necessities needed by our senior citizens under the discount granted and tax exemption granted by the law. The other necessities as such are medicine such as supplements, vitamins, herbal medicines and other food supplements like milk. The current law is vague and fails to include other basic needs that our senior citizens need. Given that there is a rampant number of senior citizens in our country and that the items sought to be included under the discount granted and tax exemption are vital to the health of our senior citizens, the immediate approval of this bill is necessary.

² Article XV, Section 4, 1987 Constitution.

³ Section 4, Republic Act No. 9994.

A handwritten signature in blue ink, appearing to read 'Ernesto M. Dionisio, Jr.', with a stylized flourish at the end.

ERNESTO "ERNIX" M. DIONISIO, JR.

Assistant Majority Floor Leader

Congressman

First Congressional District of Manila



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AN ACT EXPANDING THE GRANT OF 20% DISCOUNT AND EXEMPTION FROM THE VALUE ADDED TAX (VAT) TO SENIOR CITIZENS TO INCLUDE MEDICINES, SUPPLEMENTS, VITAMINS, HERBAL PRODUCTS AND FORMULATED MILK MEDICALLY DULY PRESCRIBED OR RECOMMENDED BY PHYSICIANS

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

Sec. 1. Declaration of Policies. - It is the declared policy of the State to uphold the right to health of senior citizens. Towards this end, the State shall ensure that medicines, supplements, vitamins, herbal products, and formulated milk that provide necessary and required nutrition to Senior Citizens shall be granted a twenty percent (20%) discount and shall likewise be exempt from Value Added Tax (VAT).

Sec. 2. Section 2 of Republic Act No. 7432, as amended by Republic Act No. 9257 otherwise known as the “Expanded Senior Citizens Act of 2003”, and further amended by Republic Act No. 9994, otherwise known as the “Expanded Senior Citizens Act of 2010”, is hereby further amended to read as follows:

“SEC. 2. Definition of terms. - For purposes of this Act, these terms are defined as follows:

xxx

(D) MEDICINES REFER TO PRESCRIPTION AND NON-PRESCRIPTION/ OVER-THE-COUNTER DRUGS, BOTH GENERIC AND BRANDED, DULY PRESCRIBED BY PHYSICIANS, AND APPROVED BY THE DEPARTMENT OF HEALTH (DOH) AND THE FOOD AND DRUG ADMINISTRATION (FDA), WHICH ARE INTENDED FOR USE IN THE DIAGNOSIS, CURE, MITIGATION, TREATMENT OR PREVENTION OF HUMAN DISEASE OR SICKNESS;

(E) SUPPLEMENTS REFER TO PRESCRIPTION AND NON-PRESCRIPTION/ OVER-THE-COUNTER MEDICAL AND DIETARY SUPPLEMENTS, BOTH GENERIC AND BRANDED, INCLUDING VITAMINS, HERBAL PRODUCTS AND FORMULATED MILK, APPROVED BY THE DEPARTMENT OF HEALTH (DOH) AND THE FOOD AND DRUG ADMINISTRATION (FDA), WHICH ARE INTENDED FOR USE IN THE DIAGNOSIS, CURE, MITIGATION, TREATMENT OR PREVENTION OF HUMAN DISEASE OR SICKNESS;

(F) [d] Medical Services refer to hospital services, professional services of physicians and other health care professionals and diagnostics and laboratory tests that the necessary for the diagnosis or treatment of an illness or injury;

xxx

Sec. 3. Section 4 of Republic Act No. 7432, as amended by Republic Act No. 9257 otherwise known as the “Expanded Senior Citizen Act of 2003”, and further amended by Republic Act No. 9994, otherwise known as the “Expanded Senior Citizens Act of 2010”, is hereby further amended to read as follows:

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

- (a) The grant of twenty percent (20%) discount and exemption from the value added tax (VAT), if applicable, on the sale of the following goods and services from all establishments, for the exclusive use and enjoyment or availment of the senior citizen
 - (1) On the purchase of medicines **AS DEFINED IN THIS ACT**, including the purchase of influenza and pneumococcal vaccines, and such other essential medical supplies, accessories and equipment to be determined by the Department of Health (DOH);
 - (2) **ON THE PURCHASE OF SUPPLEMENTS SUCH AS DEFINED IN THIS ACT.**
 - (3) [2] on the professional fees of attending physician/s in all private hospitals, medical facilities, outpatient clinics and home health care services;
xxx; and
 - (10) [9] on funeral and burial services for the death of senior citizens”,

Sec. 4. Repealing Clause. - All laws, decrees, letters of instruction, resolutions, orders or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, modified or amended accordingly.

Sec. 5. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,