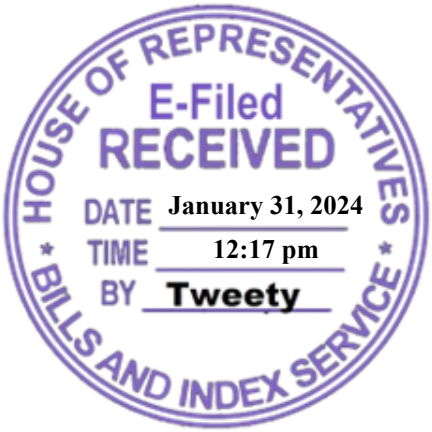
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL No. 9850



Introduced by REPRESENTATIVE LORDAN G. SUAN

EXPLANATORY NOTE

Republic Act 7432, otherwise known as "An Act to Maximize the Contribution of Senior Citizens to Nation Building, Grant Benefits and Special Privileges and for Other Purposes", was enacted in 1992, and has since undergone numerous amendments to strengthen the law and adapt it to the changing needs of the time. Although our senior citizens have been benefiting from the benefits and privileges afforded by the law, there is still some uncertainty about how the 20% discount and VAT exemption are calculated exactly. Furthermore, many are unsure whether goods and services are eligible for discounts and exemptions.

This measure intends to improve the existing law by resolving long-standing implementation issues while also maximizing the benefits intended by the statute. This measure aims to ensure that our senior citizens can fully enjoy their benefits and privileges.

a. Grant the 20% discount and VAT exemption, if applicable, to promotional discount fares on domestic sea and air transport services;
b. Grant the 20% discount and VAT exemption, if applicable, to promotional discount rates in hotels, lodging houses, restaurants, and recreation centers, including rates through third-party service providers;
c. Grant a 20% discount on water and electricity bills;
d. Ensure that the 20% discount and VAT exemption shall be fully enjoyed by the senior citizens on the purchase of basic and prime commodities, including those at promotional discounted prices;
e. Extend the senior citizen discount to toll fees; and
f. Ensure that the social pension is released every two months or earlier.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

HON. LORDAN G. SUAN
1st District
Cagayan de Oro City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL No. 9850

Introduced by REPRESENTATIVE LORDAN G. SUAN

AN ACT ENHANCING THE BENEFITS AND PRIVILEGES GRANTED TO SENIOR CITIZENS AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 7432, OTHERWISE KNOWN AS "AN ACT TO MAXIMIZE THE CONTRIBUTION OF SENIOR CITIZENS TO NATION BUILDING, GRANT BENEFITS AND SPECIAL PRIVILEGES, AND FOR OTHER PURPOSES", AS AMENDED, AND FOR OTHER PURPOSES

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

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

"Section 4. *Privileges of Senior Citizens.*- The senior Citizen shall be entitled to the following:

(a) x x x;

(5) in actual fare for land transportation travel in public utility buses (PUBs), public utility jeepneys (PUJs), taxis, Asian utility vehicles (AUVs), shuttle services, and public railways, including Light Rail Transit (LRT), Mass Rail Transit (MRT), and Philippine National Railways (PNR), and tolls fees in skyways and expressways;

(6) in the regular or promotional discount on transportation fares for domestic air transport services and sea shipping vessels, including advanced booking;

(7) in regular or promotional discount rates on the utilization of services in hotels and similar lodging establishments, restaurants, and recreation centers, including rates through third-party service providers;

(b) x x x;

(c) the grant of a twenty per cent (20%) discount and exemption from the value-added tax (VAT), if applicable, relative to the monthly utilization of water and electricity supplied by public utilities;

x x x;

(i) x x x;

(j) the grant of twenty per cent (20%) on the purchase of basic and prime commodities and exemption from value-added tax (VAT);

Provided, that in the purchase of basic and prime commodities on promotional discount, the privilege granted to a senior citizen shall be computed to equal the twenty per cent (20%) discount and a deduction of the value-added tax (VAT). For basic and prime commodities on promotional discounts of above twenty per cent (20%) of the regular price, the privilege of VAT exemption shall only apply. *Provided, further,* that the total amount of said purchase shall not exceed the amount of Two Thousand Pesos (Php 2,000.00) per calendar week without carryover of the unused amount;

(l) x x x.

x x x.

[DELETE] "In the purchase of goods and services which are on promotional discount, the senior citizen can avail of the promotional discount or the discount provided herein, whichever is higher."

x x x.

SECTION 2. Section 5 of Republic Act No. 7432, as amended, is hereby further amended to read as follows:

(l) Mandatory Social Pension

Indigent senior citizens shall be entitled to a monthly stipend amounting to not less than One Thousand Pesos (Php1,000.00) to augment the daily subsistence and other medical needs of senior citizens. The monthly stipend shall be released every other month or earlier.

x x x.

SECTION 3. *Implementing Rules and Regulations.* Within thirty (30) days from the effectivity of this Act, the Department of Social Welfare and Development (DSWD), in coordination with the Department of Trade and Industry (DTI), Department of Agriculture (DA), Department of Transportation (DOTR), Department of Tourism (DOT), Department of Finance (DOF), National Commission on Senior Citizens, and other stakeholders, shall formulate the necessary rules and regulations for the effective implementation of this Act.

SECTION 4. *Appropriations.* The amount necessary for the implementation of this Act shall be included in the General Appropriations Act.

SECTION 5. *Separability Clause.* If any provision of this Act is declared invalid or unconstitutional, the provisions not hereby affected shall remain in full force and effect.

SECTION 6. *Repealing Clause.* All laws, decrees, orders, rules and regulations or parts thereof, inconsistent with or contrary to the provisions of this Act are repealed, amended or modified, accordingly.

SECTION 7. *Effectivity.* This Act shall take effect fifteen (15) days from the date of its publication in the Official Gazette or a website provided for by law.

Approved,