



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 16



**Introduced by Representatives Ferdinand Martin G. Romualdez,
Andrew Julian K. Romualdez and Jude A. Acidre**

EXPLANATORY NOTE

This bill aims to preserve the preferential treatment accorded to senior citizens and persons with disabilities by mandating the State to adopt an integrated approach on how to make essential programs and other social services available to them in an attainable and convenient manner. This is in line with the State policy of promoting a just and dynamic social order that shall ensure the nation's prosperity and free its people from poverty.

The measure emphasizes that the discount granted to senior citizens and persons with disabilities, including the twenty percent (20%) discount and exemption from the value-added tax (VAT) on goods and services, or the special discount on purchase of basic necessities and prime commodities, as provided under Section 4 of Republic Act (RA) 2 No. 7432, otherwise known as "Senior Citizens Act," as amended, and Section 32 of RA 3 No. 7277, otherwise known as "Magna Carta for Disabled Persons with Disability," as amended, shall be in addition to any prevailing promotional offers or discounts extended by business establishments, if any has been provided, but in no way that it will require presentation of booklets in the procurement of goods.

It also underscores that in no case shall a promotion or discount offered by a business establishment to the general public be considered in compliance with Section 4 of RA No. 7432, as amended, and Section 32 of RA No. 7277, as amended. This is in a way to put an end or to quell the usual quarrels between the

Seniors and the PWDs on one hand, and the business establishments on the other hand, as to the correct implementation of the law.

To balance the interest between the two parties, this measure provides that the twenty percent (20%) discount for senior citizens or persons with disabilities applied on certain goods and services, the input tax attributable to the VAT-exempt sale to senior citizens and persons with disabilities, and the special discount on basic necessities and prime commodities, shall be treated as part of deductible expense pursuant to Section 34 of the National Internal Revenue Code of 1997, as amended. Hence the establishments may claim the discounts granted under Section 4 of RA No. 7432, as amended, and Section 32 of RA No. 7277, as amended.

Similar bill was filed in the 19th Congress with Representatives Joey Sarte Salceda, Rodolfo “Ompong” M. Ordanes, and Alfelito “Alfel” M. Bascug as principal authors thereof. The measure was approved on Third Reading on May 21, 2024 and duly transmitted to the Senate on May 22, 2025.

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


FERDINAND MARTIN G. ROMUALDEZ


JUDE A. ACIDRE


ANDREW JULIAN K. ROMUALDEZ



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AN ACT
ENHANCING THE DISCOUNT ON THE PURCHASE OF GOODS AND SERVICES
OF SENIOR CITIZENS AND PERSONS WITH DISABILITIES

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

1 SECTION 1. ***Declaration of Policy.*** – The State shall promote a just and dynamic social
2 order that shall ensure the nation’s prosperity and independence as well as free its people from
3 poverty. The State shall provide social justice in all phases of national development, and value
4 the dignity of every human person, and guarantee full respect for human rights.

5 The State shall adopt an integrated approach to health development which shall
6 endeavor to make essential goods, health, and other social services available to all at affordable
7 cost. There shall be priority for the needs of the underprivileged, sick, elderly, and persons with
8 disabilities.

9
10 To this end, the State shall preserve the preferential treatment accorded to senior
11 citizens and persons with disabilities, and proportionately distribute its costs between the
12 government and the people.

13

1 **SEC. 2. *Applicability of Discounts of Senior Citizens and Persons with Disabilities to***
2 ***Goods and Services on Promotional Offer.*** – The discount granted to senior citizens and
3 persons with disabilities, including the twenty percent (20%) discount and exemption from the
4 value-added tax (VAT) on goods and services, or the special discount on purchase of basic
5 necessities and prime commodities, as provided under Section 4 of Republic Act (RA)
6 No. 7432, otherwise known as “Senior Citizens Act,” as amended, and Section 32 of RA
7 No. 7277, otherwise known as “Magna Carta for Disabled Persons with Disability,” as amended,
8 shall be in addition to any prevailing promotional offers or discounts extended by business
9 establishments, if any, has been provided, but in no way that it will require presentation of
10 booklets in the procurement of goods.

11
12 In no case shall a promotion or discount offered by a business establishment to the
13 general public be considered in compliance with Section 4 of RA No. 7432, as amended, and
14 Section 32 of RA No. 7277, as amended.

15
16 **SEC. 3. *Tax Treatment of Discounts.*** – The twenty percent (20%) discount for senior
17 citizens or persons with disabilities applied on certain goods and services, the input tax
18 attributable to the VAT-exempt sale to senior citizens and persons with disabilities, and the
19 special discount on basic necessities and prime commodities, shall be treated as part of
20 deductible expense pursuant to Section 34 of the National Internal Revenue Code of 1997, as
21 amended.

22
23 The establishments may claim the discounts granted under subsections (a), (c), and (j)
24 of Section 4 of RA No. 7432, as amended, and subsection (a), paragraphs (1), (2), (3), (5), (6),
25 (7) and (8) and subsection (d) of Section 32 of RA No. 7277, as amended, as deduction based
26 on the net cost of goods sold or services rendered: *Provided*, That the cost of the discount shall
27 be allowed as deduction from gross income for the same taxable year that the discount is
28 granted: *Provided, further*, That the total amount of the claimed tax deduction net of VAT,
29 if applicable, shall be included in their gross sales receipts for tax purposes and shall be
30 subject to proper documentation and to the provisions of the *National Internal Revenue Code*,
31 as amended.

32
33 **SEC. 4. *Implementing Rules and Regulations.*** – The National Commission of Senior
34 Citizens and the National Council on Disability Affairs, in consultation with the Department

1 of the Interior and Local Government, Department of Trade and Industry, Department of
2 Information and Communications Technology, Department of Health, Department of Finance,
3 Bureau of Internal Revenue, and other relevant agencies and stakeholders, shall promulgate the
4 necessary rules and regulations for the effective implementation of the provisions of this Act.
5

6 SEC. 5. ***Separability Clause.*** – If any provision of this Act is declared invalid or
7 unconstitutional, other provisions hereof which are not affected thereby shall remain in full
8 force and effect.
9

10 SEC. 6. ***Repealing Clause.*** – The pertinent provisions of the following laws are hereby
11 repealed, amended, or modified accordingly:
12

13 (a) Section 4 of RA No. 7432, as amended by RA No. 9994, otherwise known as the
14 “Expanded Senior Citizens Act of 2010,” insofar as purchase of goods and services
15 which are on promotional discount is concerned;
16

17 (b) Section 32 of RA No. 7277, as amended by RA No. 10754, insofar as higher discount
18 granted by the commercial establishment, other existing laws or in combination with
19 other discount programs is concerned.
20

21 (c) Section 32(j) of RA No. 9442, entitled “An Act Amending Republic Act No. 7277,
22 Otherwise Known as the ‘Magna Carta for Disabled Persons, and for Other
23 Purposes’ ”; and
24

25 (d) Section 4(l) of RA No. 9257, entitled “An Act Granting Additional Benefits and
26 Privileges to Senior Citizens Amending for the Purpose Republic Act No. 7432,
27 Otherwise Known as ‘An Act to Maximize the Contribution of Senior Citizens to
28 Nation Building, Grant Benefits and Special Privileges for the Other Purposes’ ”.
29

30 All other laws, rules and regulations, and other issuances or parts thereof, which are
31 inconsistent with the provisions of this Act, are hereby repealed, amended, or modified
32 accordingly.
33

1 SEC. 7. ***Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in
2 the *Official Gazette* or in a newspaper of general circulation.

 Approved,