

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 651



Introduced by: **REP. TOBIAS "TOBY" M. TIANGCO**

EXPLANATORY NOTE

It is a declared policy of the State "to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all."

A study from Philippine Statistics Authority (PSA) shows that majority of the Filipino senior citizens are not financially protected, which means that the benefits and pensions they receive are not enough to sustain their basic needs. More than 800,000 Filipinos aged 60 and above in 2018 "lived below the unbelievably low poverty threshold of Php71 a day."

More than 75% of Filipino senior citizens who were economically dominant persons in their households were not covered by social security, specifically retirement plan. A significant proportion of those covered by social security had low retirement benefit level, which may not be sufficient to cover their current (and future) level of consumption.

The current law, Republic Act No. 9994, "An Act Granting Additional Benefits and Privileges to Senior Citizens," provides for "exemption from the payment of individual income taxes of senior citizens who are considered to be minimum wage earners in accordance with Republic Act No. 9504." This proposed measure intends to grant

income tax exemption to all senior citizens.

Granting tax exemption for senior citizens will serve as manifestation of the State's commitment to protect and promote the welfare of the people particularly the vulnerable elderly sector and in effect it will maximize the contribution of senior citizens to nation building.

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



TOBIAS "TOBY" M. TIANGCO
Representative
Lone District, Navotas City

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AN ACT
GRANTING INCOME TAX EXEMPTION FOR SENIOR CITIZENS AMENDING FOR
THE PURPOSE SECTION 24(A) of the NATIONAL INTERNAL REVENUE CODE OF
1997, AS AMENDED

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

SECTION 1. *Short Title.* – This Act shall be known as the "*Income Tax Exemption for Senior Citizens Act*"

SEC. 2. A new paragraph in Section 24A, is hereby added to the National Internal Revenue Code of 1997, as amended, to read as follows:

"Section 24. Income Tax Rates. —

(A) Rates of Income Tax on Individual Citizen and Individual Resident Alien of the Philippines,

xxx

(2) Rates of Tax on Taxable Income of Individuals. —The tax shall be computed in accordance with at the rates established in the following schedule:

(a) Tax Schedule Effective January 1, 2018, until December 31, 2022:

xxx

PROVIDED, FINALLY, THAT EMPLOYED SENIOR CITIZENS, OR INDIVIDUALS AGED SIXTY (60) YEARS OLD AND ABOVE, SHALL BE

EXEMPT FROM THE PAYMENT OF INCOME TAX.”

SEC. 3. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,