



**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

**TWENTIETH CONGRESS
FIRST REGULAR SESSION**

HOUSE BILL NO. 1377



**Introduced by Representative
ZIAUR-RAHMAN "ZIA" ALONTO ADIONG**

EXPLANATORY NOTE

Senior citizens and persons with disabilities (PWDs) are among the most vulnerable sectors of society. As such, they are entitled to special protection and assistance from the State to ensure that their rights to a life of dignity, economic security, and full participation in society are upheld. This bill seeks to enhance existing benefits by ensuring the full and unhampered enjoyment of the discounts granted to them under the law.

Under current laws—Republic Act No. 7432 as amended by R.A. 9994 (Expanded Senior Citizens Act of 2010), and R.A. 7277 as amended by R.A. 9442 and R.A. 10754 (Magna Carta for Persons with Disability)—senior citizens and PWDs are entitled to a twenty percent (20%) discount and exemption from value-added tax (VAT) on the purchase of certain goods and services. However, many business establishments do not apply these privileges when promotional offers or discounts are already in place, often resulting in denied benefits.

This bill clarifies that the statutory discount for senior citizens and PWDs shall be applied on top of any existing promotional discount offered by establishments. It also ensures that the cost of the discount remains a deductible expense for business owners, thereby maintaining a fair balance between social responsibility and commercial viability. Furthermore, the measure seeks to eliminate unnecessary barriers—such as the mandatory presentation of booklet IDs for basic purchases—thus easing access to the privileges.

The bill also mandates the relevant government agencies to issue the necessary implementing rules and regulations in consultation with stakeholders, thereby ensuring consistent and effective enforcement.

By strengthening the legal framework around these discounts, this measure reaffirms the State's commitment to social justice and inclusive development. It recognizes the continuing contributions of senior citizens and PWDs and

ensures that they are not further burdened by economic limitations when availing of their rightful benefits.

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



REP. ZIAUR-RAHMAN ALONTO ADIONG
1st District, Lanao del Sur



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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:

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

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

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

SEC. 2. Applicability of Discounts of Senior Citizens and Persons with Disabilities to Goods and Services on Promotional Offer. – 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) No. 7432, otherwise known as "Senior Citizens Act," as amended, and Section 32 of RA 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.

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.

SEC. 3. Tax Treatment of Discounts. – 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.

The establishments may claim the discounts granted under subsections (a), (c), and (j) of Section 4 of RA No. 7432, as amended, and subsection (a), paragraphs (1), (2), (3), (5), (6), (7) and (8) and subsection (d) of Section 32 of RA No. 7277, as amended, as deduction based on the net cost of goods sold or services rendered:

Provided, That the cost of the discount shall be allowed as deduction from gross income for the same taxable year that the discount is granted:

Provided, further, that the total amount of the claimed tax deduction net of VAT, if applicable, shall be included in their gross sales receipts for tax purposes and shall be subject to proper documentation and to the provisions of the National Internal Revenue Code, as amended.

SEC. 4. Implementing Rules and Regulations. – The National Commission of Senior Citizens and the National Council on Disability Affairs, in consultation with the Department of the Interior and Local Government, Department of Trade and Industry, Department of Information and Communications Technology, Department of Health, Department of Finance, Bureau of Internal Revenue, and other relevant agencies and stakeholders, shall promulgate the necessary rules and regulations for the effective implementation of the provisions of this Act.

SEC. 5. Separability Clause. – 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. 6. Repealing Clause. – The pertinent provisions of the following laws are hereby repealed, amended, or modified accordingly:

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

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

(c) Section 32(j) of RA No. 9442, entitled "An Act Amending Republic Act No. 7277, Otherwise Known as the 'Magna Carta for Disabled Persons, and for Other Purposes'";

(d) Section 4(l) of RA No. 9257, entitled "An Act Granting Additional Benefits and Privileges to Senior Citizens Amending for the 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 for the Other

Purposes”.

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

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

Approved,