



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

TWENTIETH CONGRESS

HOUSE BILL NO. **1924**



Introduced by

HON. ATTY. GERVILLE “JINKY BITRICS” R. LUISTRO

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

EXPLANATORY NOTE

Senior citizens and persons with disabilities (PWDs) represent some of the most vulnerable members of our society who often face financial challenges due to limited income and additional expenses related to health and daily living. Granting them continued discounts is not only a recognition of their contributions to our communities but also a necessary support that helps improve their quality of life, ensures their access to essential goods and services, and affirms our commitment to social justice and inclusivity.

This legislative measure seeks to strengthen the preferential treatment given to senior citizens and PWDs by establishing a more comprehensive and coordinated approach to delivering essential programs and services. By enhancing their access to these benefits, the measure reinforces the State’s constitutional mandate to promote a just and inclusive society, advance social justice, and alleviate poverty.

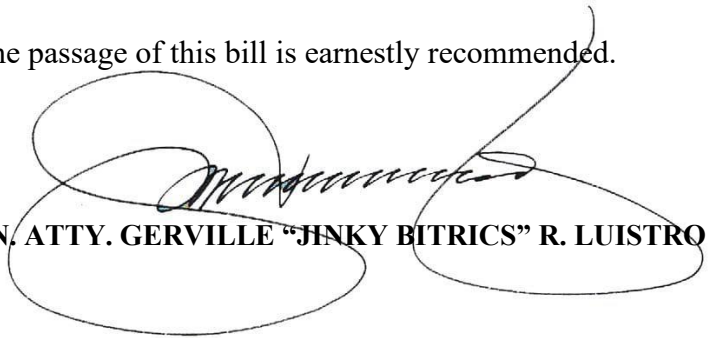
This bill stems from some clarifications and reinforcement of existing entitlements granted under Section 4 of Republic Act No. 7432 (Senior Citizens Act), as amended, and Section 32 of Republic Act No. 7277 (Magna Carta for Disabled Persons), as amended. These include the mandatory twenty percent (20%) discount and exemption from the value-added tax (VAT) on specified goods and services, along with special discounts on the purchase of basic necessities and prime commodities. The bill also affirms that these mandatory benefits must be granted over and above any promotional or sale-related discounts offered by business establishments. It further stipulates that no business may require the presentation of discount booklets to claim these benefits, thereby simplifying access for senior citizens and PWDs. To address recurring disputes over compliance, the bill clearly states that general discounts or promotions available to all consumers cannot be counted as fulfillment of the legal discount obligations to senior citizens and PWDs. This provision aims to eliminate common points of confusion and ensure consistent enforcement of the law.

In balancing the interests of beneficiaries and business stakeholders, the bill also provides that the mandatory discounts, including the input VAT attributable to VAT-exempt

sales and special discounts on essential goods, shall be treated as deductible expenses under Section 34 of the National Internal Revenue Code of 1997, as amended. This ensures that businesses are appropriately compensated while continuing to support the welfare of vulnerable groups.

A counterpart measure was filed in the 19th Congress, principally authored by Representatives Joey Sarte Salceda, Rodolfo “Ompong” M. Ordanes, and Alfelito “Alfel” M. Bascug. The bill was passed on Third Reading on May 21, 2024, and was forwarded to the Senate the following day, May 22, 2025.

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



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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.

SECTION. 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.

SECTION. 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.

SECTION. 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.

SECTION. 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.

SECTION. 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’ ”; and
- (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.

SECTION. 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,