

$$x\,x\,x$$

**SEC. 3.** A new Section is hereby added to RR 4-2006 as Section 10 thereof clarifying the basis of computation of the value-added tax on the sale to senior citizens with sales discounts by the subject establishments to read as follows:

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***“Sec. 10. Basis of Computation of Value-Added Tax on Sale to Senior Citizens.*** – VAT on sales of goods or services with sales discounts granted by establishments enumerated under Section 8 hereof shall be computed in accordance with the following illustration:

Amount of sale (without the VAT)	P100.00
Less: 20% sales discount	<u>20.00</u>
Vatable sale	P 80.00
Plus: 12% VAT (based on P80)	<u>9.60</u>
Total amount to be paid by the senior citizen	P89.60
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**SEC. 4. Renumbered Sections.** – Original Sections 10 and 11 of RR 4-2006 shall be renumbered as Sections 11 and 12 thereof, respectively.

**SEC. 5. Amendatory Clause.** – Provisions of existing issuances which are or may be inconsistent with the foregoing, if any, are hereby deemed amended and/or superseded accordingly.

**SEC. 6. Effectivity Clause.** – These Regulations shall take effect fifteen (15) days after publication in the Official Gazette or newspaper of general circulation, whichever comes first.

These Regulations shall in no case be given retroactive effect such that no refund can be claimed for any previous transactions using different basis of computation from that reflected in Section 10 above.

(Original Signed)  
**MARGARITO B. TEVES**  
Secretary of Finance

Recommended by:

(Original Signed)  
**JOSE MARIO C. BUÑAG**  
Commissioner of Internal Revenue