

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

**TWENTIETH CONGRESS**  
First Regular Session

**HOUSE BILL No. 39**

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Introduced by **HONORABLE ERNESTO "ERNIX" M. DIONISIO, JR.**

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**AN ACT INCREASING THE DISCOUNT RATE AND EXEMPTING FROM THE VALUE ADDED TAX THE MONTHLY ELECTRIC AND WATER CONSUMPTION GRANTED TO SENIOR CITIZENS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7432, AS AMENDED, OTHERWISE KNOWN AS THE "EXPANDED SENIOR CITIZENS ACT OF 2010"**

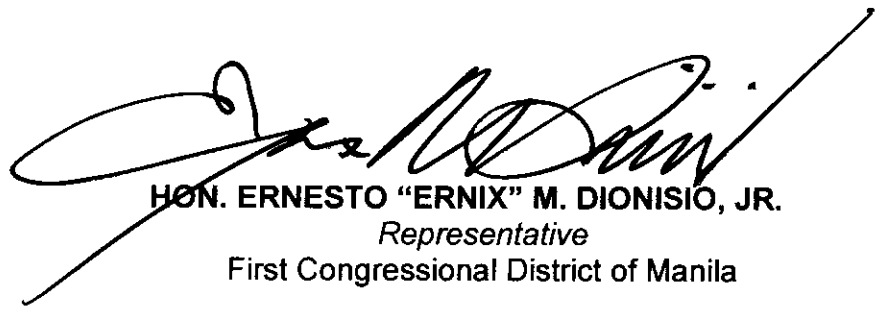
#### **EXPLANATORY NOTE**

No other than the 1978 Constitution recognizes the importance of the sacrifices and contributions of our senior citizens to the country as a whole and to the economy. The 1978 Philippine Constitution expressly provides that the State shall promote just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.

This measure acknowledges the accumulated hard work and participation of our senior citizens in nation-building. This support for our senior citizens compensates for the significant role they have imparted to the new generations and the legacies they left for the future of the Filipinos.

Furthermore, this proposed measure will alleviate the problem of our elders in paying for the costly water and electric monthly consumption. Increasing the discount and providing exemptions in the usage of utilities by senior citizens will greatly ease their burden and difficulties.

In view of this, the passage of this measure is earnestly sought.



HON. ERNESTO "ERNIX" M. DIONISIO, JR.  
*Representative*  
First Congressional District of Manila



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

**SECTION 1.** Section 4 (c) of Republic Act No. 7432, as amended by Republic Act No. 9994, is further amended to read as follows:

"SEC. 4. Privileges for the Senior Citizens. – The senior citizens shall be entitled to the following:

"(a) xxx

"(b) xxx

"(c) the grant of ~~[a minimum of five percent (5%)]~~ **FIFTEEN (15%)** discount [relative to] **AND EXEMPTION FROM THE VALUE ADDED TAX (VAT)** ON the monthly utilization of water and electricity supplied by public utilities: *Provided*, That the individual meters for the foregoing utilities are registered in the name of the senior citizen residing therein: *Provided, further*, That the monthly consumption does not exceed ~~[one hundred kilowatt hours (100 kWh)]~~ **ONE HUNDRED FIFTY KILOWATT HOURS (150 KWH)** of electricity and ~~[thirty cubic meters (30 m3)]~~ **FIFTY CUBIC METERS (50 m3)** of water: *Provided, furthermore*, That the privilege is granted per household regardless of the number of senior citizens residing

**[therein] IN THE SAME HOUSEHOLD AND THE REGISTERED SENIOR  
CITIZEN CONTINUES TO RESIDE THEREIN.**

**"XXX**

**XXX**

**XXX."**

**SECTION 2.** Within thirty (30) days from the effectivity of this Act, the National Commission of Senior Citizens shall, in consultation with the Energy Regulatory Commission, Metropolitan Waterworks and Sewerage System, and other concerned agencies, promulgate the necessary rules and regulations for the effective implementation of this Act.

**SECTION 3.** All laws, presidential decrees, issuances, executive orders, letters of instruction, rules or regulations, or parts thereof inconsistent with or contrary to the provisions of this Act are repealed, amended or modified accordingly.

**SECTION 4.** This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,