REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

August 3, 2012

REVENUE MEMORANDUM CIRCULAR NO. 38-2012

SUBJECT : Questions and Answers Further Clarifying the Provisions of Revenue Regulations (RR) No. 7-2010, as amended by RR No. 8-2010, Implementing the Tax Privileges Provisions of Republic Act (RA) No. 9994, Otherwise Known as the "Expanded Senior Citizens Act of 2010"

TO : All Internal Revenue Officers and Others Concerned

I. OBJECTIVES

This Circular is issued to:

1. Address the issues commonly asked by senior citizens and business establishments in the implementation of the provisions of RR No. 7-2010, as amended by RR No. 8-2010.

2. Clarify the queries of business establishments in the granting of discounts in the purchases of goods and services by Senior Citizens.

3. Explain the tax treatment of the 20% discount and exemption from payment of Value Added Tax (VAT) of Senior Citizens.

4. Answer queries regarding the availment of tax deduction by business establishments for the discount given to Senior Citizens and VAT treatment of their sale to Senior Citizens.

II. POLICIES

A. ON THE TWENTY PERCENT (20%) SENIOR CITIZEN DISCOUNT ON THE SALE OF GOODS AND SERVICES

The 20% discount granted to Senior Citizens on the sale of goods and services provided under the Rules and Regulations implementing Republic Act (RA) No. 9994 or the Expanded Senior Citizens Act of 2010 are discount privileges subject to the guidelines established by the Department of Social Welfare and Development (DSWD). However, this Office deemed it necessary to include in this Circular commonly asked questions on the 20% Senior Citizen discount to clarify issues which are interrelated to the implementation of exemption from the payment of 12% VAT.

Q1. If a group of 5 comprised of four (4) Non-Senior Citizens and one (1) Senior Citizen dines in a restaurant, how should the group be billed?

A1. In computing the 20% discount and the exemption from VAT, the formula shall be:

$$\left[\frac{\text{Total Billing Amount}}{\text{No. of Customers}}\right]^{1} \quad \text{less 12\% VAT} \times 20\% = \text{Senior Citizen Discount}$$

The formula above will apply if no "individualized" food item can be ordered or if the transaction with the Senior Citizen is not processed separately. It is to be noted that the total billing amount used in the computation of the 20% discount of the Senior Citizen is the amount exclusive of VAT.

It is recommended that food, drinks and other consumable items purchased by the Senior Citizen in hotels and similar lodging establishments, restaurants and recreation centers should be processed separately as an independent transaction from his/her non-eligible companions to ensure that it is for his/her exclusive consumption and enjoyment.

Q2. For restaurants, are condiments and side products covered by the Senior Citizen discount and VAT exemption?

A2. Yes. For restaurants, the discount shall be for the sale of food, drinks, dessert and *other consumable items served by the establishments,* including value meals and promotional meals, *offered for the consumption of the general public.* (Rule IV, Article 7, Section 3(b) of the Rules and Regulations Implementing RA No. 9994 and Section 4 (g)(g.5) of RR No. 7-2010).

Condiments and side products fall within the ambit of *"other consumable items served by the establishments".*

Q3. Is there a maximum amount or cap on the discount that may be granted to Senior Citizens? For example, may a restaurant limit the grant of discount to Senior Citizens to ₱40 even if the computed 20% discount amount is higher than ₱40?

A3. No. The example above is in violation of the Rules and Regulations implementing RA No. 9994 and RR No. 7-2010, as amended by RR No. 8-2010. In no case shall the discount granted to Senior Citizens in the example be less than 20%. There should be no fixed, maximum amount or cap which will limit the discount below the rate of 20%. The 20% discount shall be given to goods purchased by Senior Citizens based on the selling price exclusive of VAT.

---

[1] Individual consumption of a Senior Citizen with ID

Q4. For set meals, what are the rules?

A4. The 20% discount and VAT exemption shall also apply to set meals purchased by Senior Citizens, provided, that the meal shall be limited to a single-serving meal with beverage for an individual senior citizen. In case the set meal is not limited to a single serving and is shared with Non-Senior Citizens, the value of the food purchase attributable to the Senior Citizen may be computed in accordance with the formula stated in **A1** of this Circular.

Q5. If a Senior Citizen orders various dine-in foods, then takes home the leftover, is the order subject to 20% discount?

A5. The 20% discount shall apply to dine in, take-out and take-home orders (excluding bulk orders) as long as it is the Senior Citizen himself/herself who is present and personally ordering and can show a valid Senior Citizen ID card.

In the example above, the Senior Citizen merely takes home the unfinished or unconsumed dine-in order. It should be entitled to the discount, provided, that the leftover is not part of bulk orders.

Q6. What is the rule for purchase of group meals by "group walk-ins" or group composed of all Senior Citizens?

A6. If the group of diners is composed of Senior Citizens who ordered for group meals or food items for sharing in restaurants, each Senior Citizen with a valid Senior Citizen's ID card shall be entitled to a 20% discount and VAT exemption, hence, if all the Senior Citizens in the group have valid Senior Citizen's ID cards, the entire food purchase shall be entitled to the 20% discount and VAT exemption. In case not all the Senior Citizens have their valid Senior Citizen's ID cards, the value of the food purchase attributable to Senior Citizens with Senior Citizen's ID cards may be computed in accordance with the formula set forth in **A1** of this Circular.

Q7. For purposes of the Rules and Regulations implementing Republic Act No. 9994 and BIR Revenue Regulations No. 7-2010, as amended by RR No. 8-2010, what are considered "bulk orders"?

A7. Bulk orders are within the context of pre-contracted or pre-arranged group meals or packages, and hence, not entitled to 20% discount and VAT exemption.

Q8. Are set orders primarily marketed for children (i.e., happy meal or kiddie meal) entitled to 20% discount if purchased by a Senior Citizen?

A8. No, meals primarily prepared and intentionally marketed for children and not for Senior Citizen's personal consumption are not entitled to 20% discount. (Rule IV, Article 7, Section 3(d) of the Rules and Regulations implementing RA No. 9994; Section 6 of RR No. 7-2010).

Q9. What comprises the Most Expensive Meal Combination (MEMC)?

A9. The MEMC is an amount corresponding to the combination of the most expensive and biggest single-serving meal with beverage served in a quick service restaurant. The MEMC is deemed flexible and is adjusted accordingly by food establishments to estimate a single food purchase for an individual senior citizen. MEMC is applied only to take-out, take home, drive thru and delivery orders. (Rule IV, Article 7, Section 3(h) of the Rules and Regulations Implementing RA No. 9994; Section 6 of RR No 7-2010).

Q10. Are purchases of "pasalubong" by Senior Citizens from stores, kiosks, food carts, and stalls in food courts subject to 20% discount? Are they exempt from VAT?

A10. *"Pasalubong" food items* which are single-serving/solo meal for the personal and exclusive consumption of the Senior Citizen are entitled to the 20% discount, as well as the exemption from VAT. However, other "pasalubong" food items (e.g. box of biscocho, bottles or jars of ginamos, several packets of mango preserves, etc) which are not for the personal and exclusive consumption of the Senior Citizen are NOT entitled to 20% discount and VAT exemption. This limitation extends to *"novelty items"* or non-consumables sold in restaurants.

Q11.For call-in/phone-in orders, what are the rules?

A11. Called-in or phoned-in orders are actually delivery orders entitled to 20% discount and VAT exemption. Hence, they are likewise subject to certain conditions; i.e. senior citizen ID card number must be given while making the order over the telephone; the senior citizen ID card must also be presented upon delivery to verify the identity of the senior citizen entitled to the 20% discount and VAT exemption.

In case of called-in or phoned-in orders of grouped meals, the food establishment must determine the number of senior citizens composing the group and the 20% percent discount shall be computed based on the value of the food attributable to the qualified senior citizens. Likewise, the senior citizen ID card number/s must be given while making the order over the telephone and the senior citizen ID card/s must be presented upon delivery to verify the identity of the senior citizen/s entitled to the 20% discount and VAT exemption. (Rule IV, Article 7, Section 3(g) of the Rules and Regulations implementing RA No. 9994; Section 6 of RR No. 7-2010).

Q12. Is the purchase of a whole cake subject to 20% discount?

A12. A purchase of a whole cake may be considered as a purchase of a "group meal or meal for sharing." For instance, if the whole cake purchased is good for five (5) persons, and the group of diners is composed of five (5) Senior Citizens, each with a valid Senior Citizen's ID card, then they shall be entitled to the 20% discount or the entire food purchase shall be entitled to the 20% discount. If the group of diners is composed of Senior Citizens, but not all have their valid Senior Citizen's ID card, or composed of Senior Citizens and Non-Senior Citizens, the value of the cake attributable to the

qualified Senior Citizen/s shall be computed in accordance with the formula set forth in **A1** of this Circular.

If a Senior Citizen purchases a slice of cake or a personal serving of cake, he shall be entitled to the 20% discount.

Q13. What is the rule on the purchase of double/family pizza by a Senior Citizen?

A13. Pizza orders may be considered as purchases of "group meal or meal for sharing". For instance, if the pizza order is good for three (3) persons, and the group of diners is composed of three (3) Senior Citizens, each with a valid Senior Citizen's ID card, then they shall be entitled to the 20% discount or the entire food purchase shall be entitled to the 20% discount. If the group of diners is composed of Senior Citizens, but not all have their valid Senior Citizen's ID cards, or composed of Senior Citizens and Non-Senior Citizens, the value of the pizza attributable to the qualified Senior Citizen/s shall be computed in accordance with the formula set forth in **A1** of this Circular.

If a Senior Citizen purchases personal serving of pizza, he shall be entitled to the 20% discount.

Q14. What is the rule on the purchase of alcoholic products such as beer, wine, and other liquors? Are they considered "drinks" entitled to the 20% discount and VAT exemption?

A14. Generally, alcoholic beverages are not subject to the 20% discount and VAT exemption especially if purchased "in bulk", "in buckets" or "in cases". However, if served as a single serving drink, its purchase by a Senior Citizen is entitled to the 20% discount and VAT exemption.

However, alcoholic beverages purchased in a bar, club or cabaret are exempt from VAT but subject to amusement tax of 18% under Section 125 of the NIRC, as amended. A Senior Citizen may still avail of the 20% discount on the purchase of an alcoholic drink but the discount shall be limited only to a single serving of an alcoholic beverage.

Q15. Are cigars and cigarettes considered "consumables" subject to the 20% discount?

A15. Cigarettes/cigars are not the food or essential items deemed subject to the 20% discount.

It must be emphasized that one of the objectives of RA No. 9994 is to promote the health and benefits of the elderly. Thus, the State adopted an integrated and comprehensive approach to health development which endeavours to make essential goods, health and other social services available to the elderly people at affordable costs. Cigars and cigarettes, although considered consumables, are not essential goods and are considered hazardous to the health of the Senior Citizens.

Q16. If medicine is bought in a grocery, supermarket, or convenience store, is it subject to the 20% discount and VAT exemption?

A16. Yes. The 20% discount and VAT exemption privilege shall also apply to medicines purchased from drug stores, hospital pharmacies, medical and optical clinics and similar establishments including non-traditional outlets dispensing medicines. (Rule IV, Article 7, Section 1(b) of the Rules and Regulations implementing RA No. 9994, Section 6 of RR No. 7-2010).

Q17. Are delivery fees/charges for delivery orders subject to the 20% discount?

A17. A distinction must be made. If the delivery fee/charge is not billed separately, it is subject to the 20% discount. However, if such delivery fee/charge is billed separately, it is not entitled to the 20% discount and is subject to VAT. (Section 6 of RR No. 7-2010)

Q18. Are toll fees subject to the 20% discount?

A18. No, toll fees are not the same as "fares". Hence, it is not subject to the 20% Senior Citizen Discount.

Q19. Are taxi fares subject to the 20% discount?

A19. Yes, taxi fares are subject to the 20% Senior Citizen Discount. The Land Transportation and Franchising Regulatory Board (LTFRB) has issued a guideline on this matter.

Q20. In the case of purchase of goods and services which are on promotional discount, e.g. discounted sale upon use of a membership/ privilege card, may the Senior Citizen still avail of the 20% Discount?

A20. No. In the purchase of goods and services which are on promotional discount, the Senior Citizen shall avail of either the promotional discount or the 20% discount, whichever is higher. However, the discount that must be given to the Senior Citizen shall in no case be less than 20%. (Section 5 of RR No. 7-2010)

Q21. If the Senior Citizen used his privilege card/promotional discount which is higher than the 20% SC discount, is the sale exempt from VAT?

A21. Yes, the sale of goods and services on promotional discount is still exempt from VAT. (Section 10 of RR No. 7-2010)

Q22. Is there an additional expense or loss on the part of the retailers arising from the 20% discount and VAT exemption on the purchases by Senior Citizens?

A22. Any additional expense or loss arising from the 20% discount and VAT exemption on the purchases of the Senior Citizens shall be shouldered by the State. The 20% discount given by business establishments are deductible from their gross income during the

same taxable year when the said discounts are given and the input tax attributable to the VAT exempt sale is considered as cost or an expense account by business establishments. Hence, both the discount and input VAT that are treated as cost or expense accounts are being absorbed by the State. It is a loss of revenue on the part of the State when the sellers claim deductions arising from the discounts and VAT-exempt sale to Senior Citizens. Moreover, RA 9994 is a social legislation which entails a moral obligation upon the society to contribute on the policies of the State.

Q23. In case of business establishments which are not subject to VAT but to Percentage Tax because their gross annual sales/receipts do not reach the threshold amount of P1,919,500.00 under RR 16-2005, as amended by RR 16-2011, are Senior Citizens also exempt from the payment of the percentage tax on their purchases of goods and/or services which are otherwise exempt from VAT?

A23. No. While RA 9994 expressly provides for the VAT exemption of Senior Citizens on their purchase of certain goods and services, the law does not include exemption from the payment of Percentage Tax. It is a settled rule that tax exemption must be clear and unequivocal. It cannot arise from vague inference. A taxpayer claiming a tax exemption must point to a specific provision of law conferring on the taxpayer, in clear and plain terms, exemption from a common burden. Any doubt whether a tax exemption exists is resolved against the taxpayer. (*Digital Telecommunications, Inc. v. City Government of Batangas, GR No. 156040* dated December 11, 2008)

Thus, the exemption does not cover other indirect taxes that may be passed on by the seller to a Senior Citizen buyer, such as percentage tax. In such a case, the discount must be on the total cost of the goods or services charged by the seller exclusive of the tax. (Section 10 of RR No. 7-2010)

B. ON THE TAX TREATMENT OF DISCOUNTS AND VAT EXEMPTIONS GRANTED TO SENIOR CITIZENS

The tax treatment of discounts and exemptions from payment of VAT granted to Senior Citizens on the sale of goods and services provided under the Implementing Rules and Regulations of RA No. 9994 and RR No. 7-2010 as amended by RR No. 8-2010 are privileges subject to the guidelines prescribed by the BIR.

Q24. For CRM/POS machine, is there a need to apply for a new accreditation of the System?

A24. No. Accreditation of the POS/CRM machine is necessary only if the system will be changed in order to comply with the provisions of RR 7-2010, as amended by RR 8-2010.

Q25. How do establishments present the discount and VAT exemption of their sales to Senior Citizens in the tape receipt (for POS machines and CRM)?

A25. The amount of sales that must be reported for tax purposes is the undiscounted selling price and not the amount of sales net of the discount. The gross selling price and the sales discount must be separately indicated in the official receipt or sales invoice issued by the establishment for the sale of goods or services to the Senior Citizen. With regard to the VAT exemption, the machine tape must properly segregate the VAT exempt sales from the taxable sales. (Sections 7 and 10 of RR No. 7-2010)

Q26. What would be the new format or itemized breakdown that should be reflected in the official receipts or sales invoices to be issued to Senior Citizens?

A26. If the seller uses a POS or CRM, the machine tape should be able to segregate the exempt sale from the taxable sale. If the POS or CRM is incapable of segregation, they should be re-programmed to comply with the requirement. In the meantime, a manual invoice/receipt shall be issued by the seller.

The seller of qualified goods or services may opt to issue a separate invoice/receipt on its sale to Senior Citizens. The separate invoice/receipt will reflect the amount of discount and the total amount payable. The word "VAT Exempt Sale" must be written or printed prominently on the face of the invoice/receipt.

If the merchandise/service sold under a single transaction is comprised of a sale to a Senior Citizen and a sale to a Non-senior citizen, the seller may issue one invoice/receipt for the entire transaction providing for a proper breakdown of the exempt sale and the taxable sale. The invoice must properly reflect the discount on the exempt sale. The VAT due on the taxable sale must be separately billed in the invoice/receipt.

Illustration 1: SAMPLE INVOICE GENERATED BY CRM/POS MACHINES

MEI LI'S BOTICA
888 Quezon Ave., Quezon City
VAT Reg. TIN: 123-456-789-001

QTY	DESCRIPTION	PRICE	AMOUNT
20	Allopurinol	P 112.00 (E)	
TOTAL SALE (w/ VAT)			**P 0.00**
AMOUNT (w VAT)			P112.00
Less: VAT			12.00
Price Net of VAT			P100.00
Less: SC Discount (20%)			20.00
TOTAL AMOUNT DUE			**P 80.00**
VAT (12%)			P 0.00
VATable (V)			0.00
VAT Exempt Sale (E)			100.00
Zero-Rated (Z)			0.00

Machine Accreditation Number: 000-000000000-00000
Date: 08/05/2010 08:05:10 PM
Invoice No.: 000123456789

THIS SERVES AS YOUR SALES INVOICE
Thank you and Come Again!

Illustration 2: SAMPLE SALES INVOICE – MANUAL

MEI LI'S BOTICA
888 Quezon Ave., Quezon City
VAT Reg. TIN: 123-456-789-001

SALES INVOICE Date: **Sept. 4, 2010**

Sold To: **Roger Matanda**
Address: **69 Old Balara, Diliman, Q.C.**
Business Style: _____ TIN: **100-111-112**

QTY	Unit	DESCRIPTION	UNIT PRICE	AMOUNT
20	Pcs.	Allopurinol	P 5.60 (w/VAT)	P 112.00
		VAT-EXEMPT		P 112.00
			Less 12% VAT	(12.00)
		VAT Exempt Sale	Price Net of VAT	P 100.00
			Less 20% Discount	(20.00)
			TOTAL AMOUNT DUE	P 80.00

Received the above goods in good order and condition

No. 21899
ABC Marketing Printshop
311 TM Kalaw, Manila
TIN: 200-500-600 NonVAT 100 Bklts (50x2) 20001-25000
BIR Permit No. OCN1AU0000000000 03/18/2010

By: _____
Authorized Signature

Q27. How do establishments present the Senior Citizen Discount in the Income Statements?

A27. The income statement of the seller must reflect the discount, not as a reduction of sales to arrive at net sales, but as a deduction from its gross income (sales less cost of sales). Thus, the 20% Senior Citizen Discount shall be treated as a necessary and ordinary expense duly deductible from the gross income, provided that the seller does

not opt for the Optional Standard Deduction during the taxable quarter/year. (Section 7 of RR No. 7-2010).

Q28. Can the input tax attributable to VAT-exempt sales to Senior Citizens be claimed as tax credit?

A28. No, the input tax attributable to the exempt sale shall not be allowed as an input tax credit but must be treated as a cost or an expense account by the seller. (Section 10 of RR No. 7-2010)

Q29. What is the bookkeeping and invoicing requirement for sales to Senior Citizens?

A29. The business establishment giving sales discounts to qualified Senior Citizens is required to keep a separate and accurate record of sales, which shall include the name of the Senior Citizen-purchaser, OSCA ID, gross sales/receipts, sales discounts granted, dates of transactions and invoice/OR number for every sale transaction to Senior Citizens. The invoicing requirements in Section 4.113-1 of Revenue Regulations No. 16-2005 must also be complied with. (Sections 7 and 10 of RR No. 7-2010)

Q30. How is the discount and exemption from payment of 12% VAT on the purchases and sales of goods and services by and for the Senior Citizens computed?

A30. To compute for the discount and exemption from VAT, the following manner of computation is prescribed.

For example, a Senior Citizen purchased medicines (VAT inclusive) from a drugstore and was issued the following receipt:

MEI LI'S BOTICA
888 Quezon Ave., Quezon City
VAT Reg. TIN: 123-456-789-001

XXX Tablet	15 @ 56.3166	P 844.75
Amount of Sale with VAT		P 844.75
Less: 12% VAT		90.51
TOTAL AMOUNT		P 754.24
Less: 20% Sales Discount		150.85
TOTAL AMOUNT		P 603.39
Amount Tendered Cash		P 603.39
Change		
VATable	(T)	0.00
VAT-Exempt Sale	(X)	754.24
VAT Zero Rated Sale	(Z)	0.00
VAT - 12%		0.00
Amount due		603.39

Machine Accreditation Number: 000-000000000-00000
Date: 08/05/2010 08:05:10 PM
Invoice No.: 000123456789

THIS SERVES AS YOUR SALES INVOICE
Thank you and Come Again!

Based on this example, the amount of ₱844.75 is inclusive of 12% VAT. In order to compute for the sales price which is the basis of the 20% discount, we need to remove the 12% VAT first to determine the amount net of VAT.

To remove the 12% VAT from the amount purchased:

₱ 844.75	=	₱ 754.24	Amount net of VAT
1.12		90.51	VAT amount (₱ 754.24 x 12% VAT)
		₱ 844.75	Total Amount

To compute for the 20% discount, the amount net of VAT should be the basis:

₱ 754.24 x 20%	=	₱ 150.85	SC Discount

Hence, the selling price net of VAT is	₱ 754.24
Less: 20% SC discount	150.85
Net amount payable by a Senior Citizen	₱ 603.39

Under RR No. 7-2010, the VAT Exempt Sales should include the discount. Hence, the amount in the Sales Invoice above under "VAT Exempt Sale" is ₱ 754.24.

C. ON THE FIVE PERCENT (5%) SPECIAL DISCOUNT ON THE SALE OF PRIME COMMODITIES AND BASIC NECESSITIES TO SENIOR CITIZENS

The 5% Special Discount granted to Senior Citizens on the sale of prime commodities and basic necessities are discount privileges subject to the guidelines of Department of Trade and Industry (DTI) and Department of Agriculture (DA).

Q31. What rate of discount shall be granted to Senior Citizens on their purchase of basic necessities and prime commodities?

A31. A special discount of five percent (5%) of the regular retail price of basic necessities and prime commodities as defined under Section 2 of the joint DTI-DA Administration Order No. 10-02, series of 2010, shall be granted to Senior Citizens on their purchases thereof, taking into consideration that said purchases shall be for the personal and exclusive consumption and/or enjoyment of the Senior Citizen (Section 3, Joint DTI-DA Administrative Order No. 10-02, Series of 2010).

Q32. Are purchases of basic necessities and prime commodities exempt from payment of VAT?

A32. No. Purchases of basic necessities and prime commodities by Senior Citizens, as defined under Section 2 of the Joint DTI-DA Administrative Order No. 10-02, Series of 2010, are NOT exempt from VAT. (Section 3, Joint DTI-DA Administrative Order No. 10-02, Series of 2010).

Q33. Are purchases of toothpaste, bath soap, tissue papers subject to 5% special discount?

A33. No. Toiletries such as toothpaste, bath soap, and tissue papers are NOT entitled to 5% special discount. Only the items listed under RA No. 7581 or the Price Act are identified as prime commodities and basic necessities entitled to the 5% special discount.

However, powdered, liquid, bar laundry and detergent soap are considered basic necessities subject to 5% special discount. (Section 2, Joint DTI-DA Administrative Order No. 10-02, Series of 2010).

Q34. How much is the maximum amount of purchase per calendar week?

A34. "Maximum purchase per week" means that Senior Citizens shall enjoy a special discount of 5% of the regular retail price, without exception from VAT, of basic necessities and prime commodities provided under Section 2(a) and (b) of Joint DTI-DA Administrative Order No. 10-02, Series of 2010, provided that the total amount of said purchase shall not exceed the maximum amount of purchase per calendar week.

The maximum amount of purchase is One Thousand Three Hundred Pesos (P1,300) per calendar week, after combining set limits under prime commodities and basic necessities, without carryover of the unused amount. (Section 3, Joint DTI-DA Administrative Order No. 10-02, Series of 2010).

Q35. Are DTI-issued Administrative Order No. 3, Series of 2005 and DA-issued Administrative Order No. 37, Series of 2005 still in effect?

A35. No. DTI-issued Administrative Order No. 3, Series of 2005 and DA- issued Administrative Order No. 37, Series of 2005 have been superseded by the New Joint DTI and DA Guidelines, Joint DTI-DA Administrative Order No. 10-02, Series of 2010.

D. ON THE IMPLEMENTATION OF THE DISCOUNT AND EXEMPTION FROM VAT AND PENALTIES THEREFOR

Q36. Is there a final guideline or rule implementing the 20% Senior Citizen Discount?

A36. Yes. The Implementing Rules and Regulations (IRR) of RA No. 9994 was issued to provide mechanisms for the implementation of the Expanded Senior Citizens Act of 2010. The IRR was formulated by the inter-agency committee headed by the DSWD. Other government agencies are mandated to provide supplemental guidelines to fill in specific details within their respective jurisdictions.

Q37. For complaints relative to the implementation of the Expanded Senior Citizen Act of 2010 (RA No. 9994), to what office are we going to file the complaint? Is there any hotline (DSWD, DTI, DOH, BIR)?

A37. RA No. 9994 provides that the filing of complaints against violators shall be with the Office for Senior Citizens Affairs (OSCA) under the Mayor's Office. But for clarifications and other queries, you may contact the proper government agency (DSWD, DTI, DOH, DOTC, DOE, etc.) which issued the pertinent or applicable guideline. Policy questions which deal with vague provisions or gray areas may be raised to the National/Regional Coordinating and Monitoring Boards (N/RCMBs), with the DSWD acting as secretariat.

HOTLINE NUMBERS:

DSWD	- (02) 951-7120 0999-341-7425
BIR	- (02) 929-7676 (02) 927-2511
DTI	- (02) 751-3330 (02) 751-3233
DOH	-(02) 651-7800 loc. 1752
DOE	-(02) 479-2900
DOTC	-7890 -(02) 726-6255

All revenue officials and employees are enjoined to give this Circular as wide a publicity as possible.

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

K-I