

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FOURTEENTH CONGRESS
Second Regular Session
HOUSE BILL No. 5925



Introduced by Representative SATUR C. OCAMPO

EXPLANATORY NOTE

Section 4 (C) of Republic Act No. 7432 grants senior citizens exemption from the payment of individual income taxes provided that their annual taxable income does not exceed the property level as determined by the National Economic and Development Authority (NEDA) for that year.

It must be pointed out, however, that the exemption does not include one item from which senior citizens derive a substantial portion of their income, namely, interest income on the savings and retirement benefits they deposit in banks.

Without doubt, the final twenty percent (20%) withholding tax on the interest income from bank deposits of senior citizens must be within the contemplation of the aforesaid provision of law. However, by sheer oversight, which is a violation of the intent of the law, interest income from their bank deposits remains taxable.

To correct this, this bill seeks to exempt bank deposits of senior citizens from the withholding tax on interest income.

In view of the foregoing, approval of this bill is urgently sought.


SATUR C. OCAMPO
Bayan Muna Party-List

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HOUSE BILL NO. 5925

Introduced by Representative SATUR C. OCAMPO

AN ACT
AMENDING SECTION 4 (C) OF REPUBLIC ACT NO. 7432, OTHERWISE KNOWN AS THE SENIOR
CITIZENS ACT, THEREBY EXEMPTING THE BANK DEPOSITS OF SENIOR CITIZENS FROM THE
TWENTY PERCENT (20%) WITHHOLDING TAX ON INTEREST INCOME

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

SECTION 1. Section 4 of Republic Act No. 7432 shall be amended to read as
follows:

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

- (a) xxxxxxxxxxxx;
- (b) xxxxxxxxxxxx;
- (c) xxxxxxxxxxxx;
- (d) xxxxxxxxxxxx;
- (e) xxxxxxxxxxxx;
- (f) xxxxxxxxxxxx; **AND**

**(G) EXEMPTION FROM PAYING THE WITHHOLDING TAX ON INTEREST
INCOME FROM BANK DEPOSITS AMOUNTING TO NOT MORE THAN ONE
MILLION PESOS (P1,000,000.00) . PROVIDED, THAT THE SENIOR CITIZEN
SHOULD PRESENT TO THE MANAGER OF THE BANK, IN WHICH HE/SHE
DEPOSITS HIS/HER MONEY, HIS/HER SENIOR CITIZEN'S ID AND A
CERTIFICATE FROM THE CHIEF OF THE FIRM FROM WHICH HE/SHE
RETIRED."**

SEC. 2. Any law, presidential decree or issuance, executive order, letter of
instruction, administrative order, rule or regulation contrary to, or inconsistent with the
provisions of this Act are deemed amended.

SEC.3. This Act shall take effect fifteen (15) days after its publication in at least
two (2) newspapers of general circulation.

Approved,