REVENUE REGULATIONS NO. 1-2007 issued on January 11, 2007 amends certain provisions of Revenue Regulations (RR) No. 4-2006, which implements the tax privileges provisions of Republic Act (R.A.) No. 9257, otherwise known as the “Expanded Senior Citizens Act of 2003”.

The Regulations amended Section 8(5) of RR No. 4-2006 by deleting the TIN requirement as one of the conditions in order that establishments may claim the sales discounts as deductions from gross income. A new Section (Section 10) was also added to clarify the basis of computation of the Value-Added Tax on the sale to senior citizens with sales discounts by the subject establishments. Original Sections 10 and 11 of RR No. 4-2006 were also numbered as Sections 11 and 12, respectively.

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 thereof.