

Title: Estocuning vs. People of the Philippines

Facts: Roberto A. Estocuning, the petitioner, was the general manager of the Silliman University Cooperative and a professor at Silliman University. Manuel Utzurum, Jr., the private complainant and a bonafide senior citizen of Dumaguete City, frequented the cooperative's canteen and persistently requested a 20% senior citizen discount on his purchases of soft drinks, specifically Mountain Dew, which was consistently denied. Despite several letters of complaint from Utzurum to Estocuning and an unresolved barangay conciliation, the discount was never granted. As a result, Estocuning was charged with violating the Expanded Senior Citizens Act. He pleaded not guilty, arguing that the cooperative was tax-exempt under the Cooperative Development Authority and that Utzurum, as a member-owner, was not entitled to the senior citizen discount due to the "no double discount" provision.

Issues: The core legal issue revolved around whether a cooperative selling hot meals and drinks is required to provide a 20% senior citizen discount, considering the interplay between the Cooperative Code (Republic Act No. 9520) and the Expanded Senior Citizens Act (Republic Act No. 7432 as amended by 9994).

Court's Decision: The Supreme Court reversed the lower courts' decisions and acquitted the petitioner, Estocuning. The Court reasoned that cooperatives, which are tax-exempt entities, could not avail of the tax deductions applicable to typical business establishments when providing the senior citizen discount. To mandate the cooperative to provide such a discount without the accompanying tax deduction mechanism would be tantamount to confiscation and a violation of due process.

Doctrine: The case reaffirmed that the imposition of the senior citizen discount is a valid exercise of the State's police power to promote social justice and human rights. A cooperative, however, that cannot avail of a tax deduction for the discounts given to senior citizens, unlike typical business establishments, should not be obliged to offer such discounts as it would constitute a taking without just compensation or due process.

Historical Background: The case synthesizes the State's objective of promoting social justice and the respect for the elderly through the Senior Citizens Act against the unique statutory treatment of cooperatives in the Philippines, which play a vital role in the economic development of marginalized sectors. This is the first case to directly address the conflict between tax benefits for business establishments under the Senior Citizens Act and the tax-

exempt status of cooperatives under the Cooperative Code. The Supreme Court's decision highlights that imposing burdens on tax-exempt cooperatives without corresponding benefits is inconsistent with both the letter of the law and the principles of fairness and equity.