

## Analysis of tax benefits for senior citizens: an analysis from a city in Ecuador 2021

Análise dos benefícios fiscais para idosos: análise de uma cidade do Equador, 2021

Análisis de los beneficios tributarios en las personas de la tercera edad: análisis desde una ciudad de Ecuador, 2021

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### ABSTRACT

The objective of this research was to analyze the tax benefits granted to senior citizens in the canton of Portoviejo, Ecuador, 2021. For this purpose, a research with a qualitative-quantitative approach was used; the design was non-experimental field research; the type of research was descriptive. The population consisted of 01 official of the planning and strategic management department of the Internal Revenue Service of Portoviejo; as well as 138 workers of the IRS, the method of analysis was content analysis. The technique used was the structured interview and the questionnaire survey directed to 138 workers. As a result, it was found that having years of service in the institution favors the knowledge of tax exemptions; among the payments made by the elderly is the payment or declaration of value added tax; The fact that 80% of the elderly have received partial exemptions from paying taxes may be due to the fact that 70% consider that they do not register with the IRS to receive tax benefits, ignorance (90%) is the cause of this reality, which affects the demand for the benefits provided for in the Constitution, as well as in the different national regulations inherent to tax matters. It is concluded that there is a binding regulation in favor of tax exemptions for the elderly that could reduce the burden either in total, partial or special form and is applied in the payment of municipal and fiscal taxes; however, there is a lack of knowledge on the part of the beneficiaries.

**Keywords:** Taxes, senior citizens, tax exemptions.

### RESUMO

O objetivo desta pesquisa foi analisar os benefícios fiscais concedidos aos idosos no cantão de Portoviejo, 2021. Para isso, utilizou-se pesquisa com abordagem quali-quantitativa; o projeto não foi experimental de campo; O tipo de pesquisa foi descritivo. A população foi composta por 01 funcionário da área de planejamento e gestão estratégica da Receita Federal de Portoviejo; além de 138 trabalhadores do SRI, o método de análise foi o de conteúdo. A técnica utilizada foi a entrevista estruturada e o inquérito por questionário dirigido a 138 trabalhadores. Como resultado, constatou-se que ter anos de serviço na instituição favorece o conhecimento das isenções fiscais; Entre os pagamentos efetuados pelos idosos está o pagamento ou declaração do imposto sobre valor agregado; indicaram que 80% dos idosos receberam isenções parciais do pagamento de impostos, o que pode dever-se ao facto de 70% considerarem que não se inscrevem no SRI para receber benefícios fiscais, o desconhecimento (90%) é a causa disso realidade, o que afeta a exigência dos benefícios previstos tanto na Constituição como nas diversas regulamentações nacionais inerentes à matéria tributária. Conclui-se que existe uma regulamentação vinculante a favor de isenções fiscais para idosos que poderia reduzir a carga de forma total, parcial ou especial e é aplicada no pagamento de impostos municipais, como os fiscais; Porém, há desconhecimento por parte dos beneficiários.

**Palavras-chave:** Impostos, idosos, isenções fiscais.

### RESUMEN

El objetivo de esta investigación fue analizar los beneficios tributarios otorgados a las personas de la tercera edad en el cantón Portoviejo, 2021. Para ello se empleó una investigación con un enfoque cuali-cuantitativo; el diseño fue no experimental de campo; el tipo de investigación fue descriptiva. La población estuvo compuesta por 01 funcionario del departamento de planificación y gestión estratégica del Servicio de Rentas Internas de Portoviejo; así como también, 138 trabajadores del SRI, el método de análisis fue el de contenido. La técnica empleada fue la entrevista estructurada y la encuesta tipo cuestionario dirigido a 138 trabajadores. Se encontró como resultado, que el poseer años de servicio en la institución favorece el conocimiento de las exenciones tributarias; dentro de los pagos que realizan las personas mayores se encuentra pago o declaración del impuesto al valor agregado; han señalado que el 80% de los adultos mayores han recibido exoneraciones parciales del pago de tributos, pudiendo deberse a que el 70% consideran que no se registran en el SRI para recibir los beneficios tributarios, el desconocimiento (90%) es la causa de esta realidad, lo cual incide en la exigencia de los beneficios contemplados tanto en la Constitución, como en las diferentes normativas nacionales inherentes a la materia tributaria. Se concluye que existe una normativa vinculante a favor de las exenciones tributarias para los adultos mayores que pudiesen disminuir la carga ya sea en forma total, parcial o especial y se aplica en el pago de impuestos municipales, como fiscales; sin embargo, existe desconocimiento por parte de los beneficiarios.

**Palabras clave:** Tributos, adultos mayores, exenciones tributarias.

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### ARTICLE INFORMATIONS

#### Science-Metrix Classification (Domain):

Economic & Social Sciences

#### Main topic:

Tax benefits for senior citizens

#### Main practical implications:

The article allows a broad vision of a problem that Ecuadorian society must face, related to the taxation of older adults. In a society that tends to aging, this article can help guide future public policies.

#### Originality/value:

There is not much literature related to this issue in the specific Ecuadorian case, which is why the article, by offering original empirical evidence, emerges as a contribution of great value.

## INTRODUCTION

Abad (2019) considers that taxes are understood to be the resources that all States collect for the fulfillment of their social purposes, through the Internal Revenue Service (SRI, 2021), which is responsible for managing the tax policy, ensuring the collection aimed at promoting social cohesion and the set of provisions that governs and regulates tax matters; This always taking into account the constitutional principles and of course the fiscal and tax laws so as not to affect any violation of rights in the legal framework, the elderly have tax benefits, however there are legal loopholes by the regulatory body.

Commonly, according to the Internal Tax Regime Law (2019), it is thought that the refund of the Value Added Tax (VAT) which is the tax paid to the IRS for their purchases of goods and services of first necessity acquired for personal use and consumption, with authorized invoices, which consider goods and services of first necessity such as housing, clothing, health, food, education, communication, culture, sports, transportation and mobility is the only benefit granted to senior citizens; however, it is worth mentioning that they are also exempted from paying municipal and fiscal taxes as long as their income or assets do not exceed 500 unified basic salaries, in which case they must pay the difference.

It is important to consider that the creation of public policies as the Ecuadorian population ages is urgent, so that the Government has established laws to improve the living conditions of this vulnerable group. It is necessary to consider that the rights of non-discrimination and protection during the aging stage benefit older adults (Universal Declaration of Human Rights). Older adults are those who have reached 65 years of age, who in the public and private spheres the State will guarantee their rights such as exemptions in the tax regime.

It is important to highlight Meza, & Villacreses (2017) in the term Buen Vivir constitutes "a constitutional principle based on the "Sumak Kawsay" that gathers a vision of the world centered on the human being, as part of a natural and social environment, well, based on these rights they have, according to the supreme norm of Ecuador (Constitution, 2008) "Older adults will receive priority and specialized attention in the public and private spheres, especially in the fields of social and economic inclusion". This research is of great relevance for the vulnerable sector of the elderly since it was shown that the current legal regulations of Ecuador establish many benefits, especially tax benefits such as exemption, reduction or deduction of taxes.

**Table 1.** Legal basis for benefits in favor of senior citizens in Ecuador.

Legal Document	Observations
Reform Law Tax	Published in the Supplement to the Official Registry No. 325 of May 14, 2001.
Internal Tax Regime Law	Supplement to the Official Registry No. 463, November 17, 2004.
Tributary Code	Official Registry Supplement 38 of June 14, 2005.
Constitution of the Republic of Ecuador	Official Registry 449 of October 20, 2008
Regulations for the application of the Internal Tax Regime Law	Supplement to the Official Registry No. 209, June 8, 2010.
Comprehensive Criminal Organic Code	Official Registry Supplement 180 of February 10, 2014.
Organic Law of Older Adults (LOPAM)	Supplement to the Official Registry No. 484, dated May 9, 2019.
General Regulations of the Organic Law of Older Adults	Supplement to the Official Registry No. 241, July 8, 2020.
Resolution No. NAC-DGERCG20-00000059	Rules that regulate the procedure and requirements for the refund of VAT to older adults. Published in EE 1100 on September 30, 2020.

Note. Legal framework that supports the creation of tax benefits for older adults  
Source: SRI (2018).

The tax benefit is exclusive to senior citizens, as stated in the legal framework, however, it indirectly favors their family environment, since, by the simple fact of having access to certain tax benefits, the senior citizen's expenses will be reduced, which will benefit their household economy.

In addition, this type of research seeks to generate knowledge about the compliance of the exoneration by the elderly, from what the SRI officials point out and thus "guarantee the comprehensive protection that the State, society and the family which must provide the elderly with knowledge, with the purpose of achieving the effective enjoyment of their rights, duties and responsibilities" (Organic Law of the Elderly, 2019). "Being old is not only a particular physiological condition, produced by the passing of the years, it is also a social labeling and, in some cases, a stigma" Huairacocha, & Once, (2019) with which it can be understood how important this benefit is for the elderly.

The implementation of these benefits and incentives to senior citizens (over 65 years of age) contributes to the socio-

economic development of this priority sector, improving their quality of life, directing the amounts deducted in the consumption of products, services or investments, and this contributes directly to the dynamization of the economy.

The following is a matrix of tax benefits and incentives for senior citizens, individuals and legal entities, and employers who hire senior citizens as employees.

**Table 2.** Tax benefits for the elderly. Ecuador, period 2016-2020

Benefit or incentive	Legal normal that establishes it	Type Benefit or Incentive	Beneficiary	Fiscal policy objective
Income tax exemption (for an amount equivalent to 1 basic fraction of income tax relief)	Internal tax regime law, article 9, paragraph 12	Benefit	People over sixty-five years of age (senior adults)	Redistributive justice/equity
Additional 150% deduction on salaries and social benefits paid to older adults for a period of two years.	Internal tax regime law, article 10, paragraph 9	Incentive	Employer (natural or legal person)	Redistributive justice/equity
Refund of value added tax local acquisition of essential goods and services for personal consumption use	Internal tax regime law, article listed after article 74	Benefit	Senior staff	Redistributive justice/equity
0% VAT rate for nursing homes	Tax reform law, article 9	Benefit	Institutions dedicated to the protection and care of older adults	Redistributive justice/equity Provision of public goods and services, reciprocity. Greater reciprocity
Special reduction in Property Tax on motor vehicles	Tax reform law, art 9	Benefit	Older adults	Redistributive justice/equity

Note: Tax benefits for senior citizens are based on the principle of Redistributive Justice-Equity as a fiscal policy objective.

Source: SIR (n/d). Taxpayer's Guide - Tax benefits for senior citizens.

In Ecuador, when senior citizens pay their taxes in full, even if they have deductions, they can apply for a refund. In most cases, they have a maximum period of 120 days to be submitted; however, it is necessary to consider whether the Department provides opportunities for these people to claim these benefits.

The National Council for Intergenerational Equality (2023) has made a follow-up report on the actions of the municipalities on this issue. Information was requested to the 221 cantonal GADS to know the compliance of this right of the elderly. Fifty-nine percent of the municipalities reported information and 41% did not respond. Based on this information, the following data has been obtained: Only 53% of the elderly accessed this benefit, that is, 47% paid a tax that by law they should NOT pay. Likewise, only 47% of the municipalities consulted have made efforts to inform citizens about the exoneration of this tax for senior citizens. Only 42% have ordinances to regulate the exemption and 46% have some procedure for the collection of the property tax. In other words, less than half of the municipalities consulted have taken action on these points.

In addition, the National Council for Intergenerational Equality surveyed members of the Advisory Councils of Older Adults about their perceptions on this issue and obtained the following results: 63% of those consulted said they had NOT benefited from the property tax exemption, i.e. only 37% had access to this right. 79% indicated that they did not know if the municipality where they live had disseminated the procedure for tax exemption, only 27% had learned about it, but only to a limited extent. Seventy-nine percent indicated that they did not know if the municipality where they live has disseminated the procedure for tax exoneration; only 27% have heard about it, but only to a limited extent. Likewise, 68% are unaware of the procedure for filing complaints regarding undue property tax charges; only 32% have information on the subject.

The Law for Older Adults (LOPAM) also provides the benefit of the reduction of tickets generated by public shows, which encompasses the needs reflected in the authorized invoices. This implies a 50% exoneration for participation in cultural, sports and recreational events, among others. In addition to the exoneration of 50% of the consumption of basic services, such as water, electricity and telephone. As for the collection of the properties, they are also exonerated from paying 50% of the property tax.

In addition, it contemplates in its articles: The beneficiaries of this Law are natural persons who have reached sixty-five years of age, whether they are nationals or foreigners who are legally established in the country. To access the exonerations or discounts in public or private services stipulated in this Law, they shall justify their condition only with the identity and citizenship card or with the legal document that accredits them to foreigners ( LOPAM , 2016). Art. 1 Any person

over sixty-five years of age and with monthly income estimated at a maximum of five unified basic remunerations or who has a patrimony not exceeding five hundred unified basic remunerations, shall be exempted from the payment of fiscal and municipal taxes. For the application of this benefit, no prior administrative, provincial or municipal declaration shall be required. If the income or patrimony exceeds the amounts determined in the first clause, taxes will be paid only for the difference or excess (LOPAM, 2016, art. 14).

Based on the above, the objective of this research was to analyze the tax benefits granted to senior citizens in the canton of Portoviejo, Ecuador, 2021 from the considerations made by officials of the Department of Planning and Strategic Management of the Internal Revenue Service.

## METHODS

The design of this research includes important elements that guide the development of the research, in this sense, the research approach was qualitative-quantitative according to Palella; Martins, (2012) was, on the one hand, under the qualitative approach since it sought to analyze from the discourse of the interviewee his considerations on the subject. On the other hand, it was quantitative, because it was oriented to describe through descriptive statistics the characteristics of the phenomenon under study.

By using the quantitative approach, the research was non-experimental, cross-sectional and descriptive according to Palella; Martins, (2012). Thus, it was non-experimental and cross-sectional because the data were collected at a single point in time to describe the level of the variable of the sample of interest and no variable was manipulated as pointed out by Hernández, Fernández, & Baptista, (2006). The population consisted of 01 official of the Department of Planning and Strategic Management of the Internal Revenue Service of Portoviejo and 138 workers of this same institution, since it is necessary to identify the main weaknesses found and therefore describe the variable under study, that is, the processes that allow promoting the enjoyment of these rights by older adults, the entire population was taken as a sample since it was accessible to the researcher.

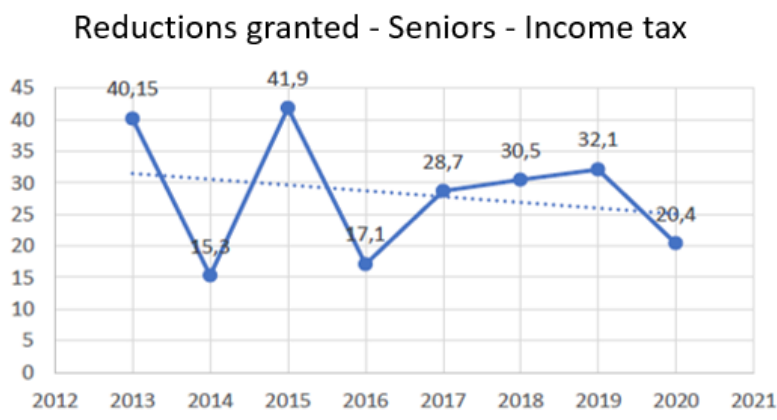
It also had a bibliographic approach, since the bibliographic information obtained from academic articles, electronic books, theses, institutional documents, among others, collected online from reliable sources such as Google Scholar, publications of indexed journals and digital repositories of theses of national and international universities, was investigated and analyzed in this article. These sources served as a basis to relate the content with the proposed topic, especially sources of records of the benefits granted to the elderly in the canton of Portoviejo.

The data collection techniques used were two according to the population to be studied, on the one hand, was the interview as a primary source directed to one (01) SRI official, in addition to the questionnaire type survey aimed at the 138 workers of the referred institution. The techniques and procedures for data analysis were: analysis of the speech of the official of the Planning and Strategic Management Department of the Internal Revenue Service and descriptive statistics for the calculation of frequency and percentage, which are represented in tables and graphs.

## RESULTS AND DISCUSSION

This section shows the tax expenditures and rebates granted to senior citizens for income tax purposes.

Figure 1. Tax Expenditures - Senior Citizen Income Tax Rebates 2013-2020.



Note: The lowest amount forgiven to senior citizens with respect to income tax was recorded in 2014. Source: SRI (2016, 2018, 2021).

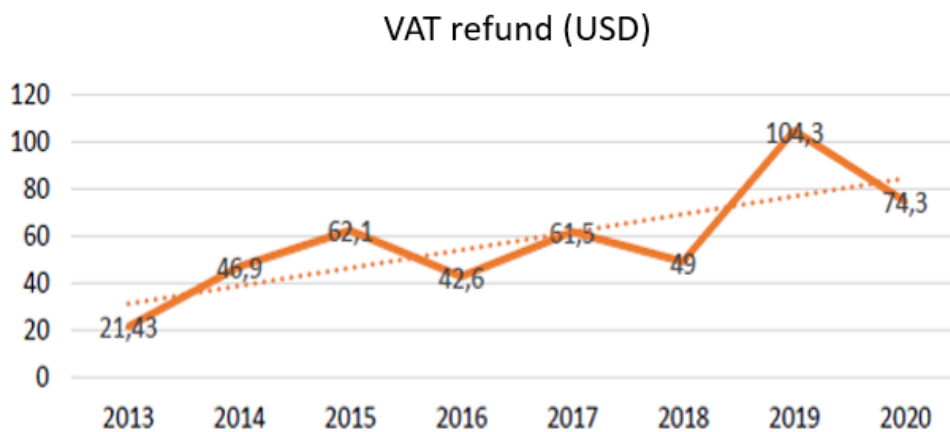
Figure 1 shows a decreasing trend with respect to state income tax expenditures. The year 2015 shows the highest amount forgiven to senior citizens. The existing variations in the period 2013-2020 are due to the fact that the income of the declarants has not been constant, since the mentioned Tax is applied to the annual income received by the citizens.

In 2020, the State presents a decrease in the amount deducted from income tax for senior citizens, with a variation of -37.01% with respect to the previous year, this is explained by the presence of the pandemic, which affected income. The measures adopted to cope with the pandemic affected tax collections, especially for the elderly, who, being a vulnerable group, stopped their economic activities, for this reason.

These data obtained from the Intergenerational Equality Council (2023) show the need to continue working for the fulfillment of the rights of the elderly. Finally, municipalities are called upon to effectively inform citizens about the benefits of tax exemption and its procedures.

According to the MIES (2021), up to 2020 the population of older adults was 1,310,297, when contrasting this data with the number of older adults who have availed themselves of this tax benefit of VAT refund, it is identified that only 12.23% of the older adult population makes use of this right. On the other hand, when analyzing the VAT refund in monetary values, it is observed that the trend has been increasing considering the time frame described in Figure 2 below.

**Figure 1** Value-added tax refunds to senior citizens, period 2013-2020, in millions of dollars



**Note.** Falling tax revenues and the earthquake are the reasons for the decrease. Source: Tax Expenditure Manual.

It is important to consider that the fall in tax revenues and the earthquake are the reasons for a decrease in the amount of - 46% in 2016. These events led the Ecuadorian Government to take measures in the tax system, creating the Organic Law for the Balance of Public Finances as noted by the SRI, (2016) In addition, the VAT refund was incentivized by electronic means, which complicated the process for many of the elderly, since the use of technology is a challenge for them. In 2018, it is again reduced by - 26%, as a consequence of the reduction of the amount to be refunded of VAT for senior citizens, a measure adopted to increase revenues for the Treasury.

The year 2019 for Pico, (2021) is the year with the highest amount returned to senior citizens. However, in the year 2020 again has a decrease, this variation is - 40% with respect to the year 2019, due to the presence of the pandemic, consumption decreased due to the lack of commercial activity and states of exception decreed as measures to combat the pandemic; in addition, in this year there was a low collection of VAT by the adults

The Ecuadorian State points out that the Tax Reform Law, in Article 9, establishes that there is a rebate for senior citizens, as part of their tax benefits, including a reduction of US\$8,000 on the appraisal of vehicles acquired by senior citizens, which must be requested to the Internal Revenue Service (El Universo, 2021).

#### **Interview with the official of the Planning and Strategic Management Department of the Internal Revenue Service of Portoviejo.**

Upon inquiring into the considerations made by the Internal Revenue Service official as to whether, as an IRS official, he is aware of the tax exemptions granted by law to senior citizens?

In the official's speech, he stated that he is aware of the tax exemptions that the law grants to senior citizens, stating: "The **years of work allow me to know which are the benefits offered by the regulations to senior citizens, since the experience has allowed me to handle the different modifications made to the regulations.**" In addition, in relation to the



taxes that senior citizens declare or pay more frequently, he considered that "**senior citizens pay or declare the value added tax or income tax, but others, in lesser number, pay the vehicle tax and property taxes**".

Based on the answer given by the official, it is important to consider that the reforms made by the IRS through the "Organic Law for the Balance of Public Finances" were intended to correct the abuses committed to the tax benefits of senior citizens, after denouncing that people were taking undue advantage of the special discounts granted to this group in the purchase of vehicles. However, this economic measure would also mean a significant reduction in the amounts that senior citizens may request as VAT refund.

On the other hand, he was asked about the type of exonerations that have been granted most frequently to the elderly for the payment of Municipal Taxes, finding that the official interviewed considered that "*many have not received any exonerations, some only partially the payment of taxes*". This evidences a reality referred to the non-compliance with tax exemptions for the elderly, despite the fact that it is contemplated in several legal instruments; However, this official considers that the above mentioned responds to the fact that "*older adults, unfortunately, do not register with the IRS to apply for the benefits*". In fact, upon studying in depth the different laws that seek the welfare of older adults who make up the priority group, it was found that the guarantees and protection are established, but older adults lack knowledge or if they have it, they do not know how to apply for them.

In this regard, the interviewee considers that "*the lack of knowledge of the laws on the part of older adults is one of the reasons why they do not apply for tax benefits*". This lack of knowledge not only stems from the tax laws themselves, but could even refer to national regulations such as the Constitution as the Magna Carta and the organic laws.

It is important to consider that in Article 14 of the Law of the Elderly, one of these benefits is clearly evidenced as that the elderly who have or exceed sixty-five years of age are exempted from paying municipal and fiscal taxes, so if the elderly adults were aware of this benefit they would go to the municipality and the Internal Revenue Service to request this benefit and therefore would no longer have to pay values for concepts such as this where it was found that adults mostly make payments or declarations of value added tax or income tax.

It can be considered that the lack of knowledge may be due to several factors, but one of the main ones is the failure in the dissemination of these rights and benefits, however, the Ministry of Economic and Social Inclusion has several protection policies, information and programs for this vulnerable group and priority attention, in order to inform the elderly about these rights.

### Analysis of the survey applied to the entity's employees

**Table 3** Do you know which are the tax exemptions granted by law for senior citizens?

Response Option	Frequency (F)	Percentage (%)
Yes	110	80
No	28	20
<b>TOTAL</b>	<b>138</b>	<b>100</b>

Note: Source: Data obtained through the data collection instrument.

It was found that 80% of the employees of the Planning and Strategic Management Department of the Internal Revenue Service of Portoviejo are aware of the tax exemptions that the Law grants to senior citizens; however, 20% of the employees are unaware of these exemptions, which hinders their adequate compliance, since their promotion is not guaranteed.

**Table 4.** What taxes do older adults report or pay most frequently?

Response option	Frequency (F)	Percentage (%)
VAT	69	50
Income	41	30
Vehicle Tax	14	10
Property Tax	14	10
<b>TOTAL</b>	<b>138</b>	<b>100%</b>

Note: Source: Data obtained through the data collection instrument.

It is observed that 50% of the respondents consider that the elderly pay or declare value added tax or income tax (30%), 10% of the respondents consider that they pay vehicle tax and 10% of the respondents indicate that they pay property taxes.

It is important to consider, based on these results, that with the reforms made by the IRS through the "Organic Law for the Balance of Public Finances", it was intended to correct the abuses committed to the tax benefits of senior citizens, after denouncing that people were taking undue advantage of the special discounts granted to this group in the purchase of vehicles. However, this economic measure would also mean a significant reduction in the amounts that senior citizens may request as VAT refund.

**Table 5** What kind of exemptions have been granted to senior citizens in the payment of Municipal Taxes?

Response option	Frequency (F)	Percentage (%)
Totals	0	0
Partial	110	80
None	28	20
<b>TOTAL</b>	<b>138</b>	<b>100%</b>

Note: Source: Data obtained through the data collection instrument.

Of those surveyed, 80% of the elderly have received partial tax exemptions, while 20% have not received any tax exemption; this shows the reality of non-compliance with tax exemptions for the elderly, despite the fact that it is contemplated in various legal instruments. It is important to consider that the implementation of these benefits and incentives to senior citizens (over 65 years of age) contributes to the socio-economic development of this priority sector, improving their quality of life, directing the amounts deducted in the consumption of products, services or investments, and this contributes directly to the revitalization of the economy, so they are benefits for both the state and the beneficiary himself.

**Table 6.** Do you believe that the elderly have registered with the SRI to apply for tax benefits (IVA)?

Response option	Frequency (F)	Percentage (%)
YES	41	30
NO	97	70
<b>TOTAL</b>	<b>138</b>	<b>100</b>

Note: Source: Data obtained through the data collection instrument.

Seventy percent of the people surveyed stated that the elderly have not registered with the IRS to receive tax benefits. While 30% consider that they are registered and receive their benefits. In fact, upon studying in depth the different laws that seek the welfare of the elderly that make up the priority group, it was found that the guarantees and protection are established, but the elderly lack knowledge or if they have it, they do not know how to apply for them.

**Table 7** Do you think that the lack of knowledge of the laws on the part of senior citizens affects their tax benefits?

Response option	Frequency (F)	Percentage (%)
YES	124	90
NO	14	10
<b>TOTAL</b>	<b>138</b>	<b>100%</b>

Note: Source: Data obtained through the data collection instrument.

It is observed that 90% of the officials consider that the lack of knowledge on the part of the elderly has an impact on the demand for the benefits contemplated in the Constitution, as well as in the different national regulations inherent to taxation.

It is important to consider that in Article 14 of the Law of the Elderly, one of these benefits is clearly evidenced as that the elderly who have or exceed sixty-five years of age are exempt from the payment of municipal and fiscal taxes, so if the elderly adults were aware of this benefit they would go to the municipality and the Internal Revenue Service to request this

benefit and therefore would no longer have to pay values for concepts such as this. As shown in Table 4, where it was found that adults mostly pay or declare value added tax or income tax.

It can be considered that the lack of knowledge may be due to several factors, but one of the main ones is the failure in the dissemination of these rights and benefits, however, the Ministry of Economic and Social Inclusion has several protection policies, information and programs for this vulnerable group and priority attention, in order to inform the elderly about these rights.

## FINAL CONSIDERATIONS

In recent years, tax benefits have been implemented for the elderly, as contemplated in the Constitution of Ecuador, which include tax exemptions or reductions in the payment of taxes in order to develop an equitable and socially just system.

Tax benefits for the elderly have been established in the form of property tax exemptions, VAT or ICE refunds paid on personal items, income tax rebates and refunds, motor vehicle tax, and payment facilities. These benefits tend to retribute the values delivered and support proportionally according to the particular situation of each individual.

With the analysis made from the interview with the official belonging to the Department of Planning and Strategic Management of the Internal Revenue Service of Portoviejo, as well as with the 138 workers, it has been possible to understand that, having years of service in this institution, they know the tax exemptions that the Law grants to senior citizens (80%) ; It has also been pointed out that among the most frequent payments made by senior citizens are the payment or declaration of value added tax (50%), income tax (30%), 80% of senior citizens have received partial exemptions from paying taxes, This may be due to the fact that 70% consider that the elderly are not registered with the IRS to receive tax benefits. It has been pointed out that ignorance (90%) is the cause of this reality, which affects the demand for the benefits contemplated in the Constitution, as well as in the different national regulations inherent to tax matters.

Finally, the Constitution of Ecuador establishes tax exemptions in favor of the elderly that could reduce the burden either in total, partial or special form and is applied in the payment of municipal taxes, such as fiscal taxes; however, there is ignorance on the part of the beneficiaries. The correct application of tax benefits by senior citizens has a positive effect for the taxpayer, because he/she can efficiently enjoy the rights that correspond to him/her as a citizen.

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Task	% of contribution of each author	
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A. theoretical and conceptual foundations and problematization:	50%	50%
B. data research and statistical analysis:	50%	50%
C. elaboration of figures and tables:	50%	50%
D. drafting, reviewing and writing of the text:	50%	50%
E. selection of bibliographical references	50%	50%
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