

I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2015 (FIRST) Regular Session

Bill No. 228-33 (COR)

Introduced by:

Michael F.Q. San Nicolas 

AN ACT TO AUTHORIZE REVENUE IN EXCESS
OF ADOPTED REVENUES FOR FISCAL YEAR 2016
TO BE USED TO EXPEDITE THE PAYMENT OF
TAX REFUNDS OWING TO TAXPAYERS AND/OR
TO PAY ACCOUNTS PAYABLE OVER THIRTY (30)
DAYS PAST DUE AND RESTRICT
APPROPRIATIONS OF SUCH REVENUES.

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1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Short Title. This Act *shall* be cited as the “Responsible Tax
3 Refunds and Vendor Payment Act.”

4 Section 2. Legislative Findings and Intent. *I Liheslaturan Guåhan*
5 finds that since 2011, the government of Guam has faced a federal
6 injunction requiring that taxpayers receive their tax refunds within six (6)
7 months of when error-free returns are filed.

8 *I Liheslatura* further finds that since 2002, Guam law has required that
9 a certain proportion of income tax revenue be set aside from collections
10 and deposited into the Income Tax Refund Efficient Payment Trust Fund.
11 This measure is intended to ensure that sufficient amounts are set aside to
12 pay tax refunds in each fiscal year. The mandatory deposits should be

1 made, but this may not be enough to assure that tax refunds within weeks
2 of error-free filing.

3 *I Liheslaturan Guåhan* finds that the government of Guam has
4 historically faced serious issues with past due payables to vendors, with
5 many being paid over thirty (30), sixty (60), or even ninety (90) days after
6 such payments were due.

7 *I Liheslatura* further finds that when agencies of the government of
8 Guam are chronically behind on payments to private vendors, it places
9 smaller, less liquid businesses at a disadvantage when they bid for
10 government contracts. Simply put, many small businesses can not wait for
11 months before they get paid for the goods and services they provide. Those
12 that continue to offer goods and services to the government will require an
13 additional mark-up because such delays are expected. Agencies of the
14 government of Guam should stop the counter-productive practice of
15 paying vendors late.

16 It is therefore the intent of *I Liheslaturan Guåhan* that anticipated
17 revenue in excess of the estimated revenues in Fiscal Year 2016 shall be
18 authorized to be used exclusively to deposit into the Income Tax Refund
19 Efficient Payment Trust Fund to facilitate expedited payment of tax
20 refunds owed to taxpayers and/or to pay vendors for payables over thirty
21 (30) days past due.

22 **Section 3. Revenue in Excess of Adopted Revenues Authorized to**
23 **Expedite the Payment of Tax Refunds Owing to Taxpayers and/or to Pay**

1 **Accounts Payable Over Thirty (30) Days Past Due.** Notwithstanding any
2 other provision of law to the contrary, any anticipated revenue in Fiscal
3 Year 2016 in excess of the estimated revenues for Fiscal Year 2016 adopted
4 in Section 2 of Chapter I of Public Law 33-66 for such revenue sources are
5 hereby authorized exclusively for the following:

6 (1) to deposit into the Income Tax Refund Efficient Payment
7 Trust Fund to facilitate the expedited payment of tax refunds owing
8 to taxpayers; and/or

9 (2) to pay accounts payable owing to a vendor that are over
10 thirty (30) days past due from an agency of the government of Guam
11 to which funds are appropriated by Public Law 33-66.

12 **Section 4. Appropriation Restriction.** Notwithstanding any other
13 provision of law to the contrary, unless a state of emergency is declared by
14 *I Maga'låhen Guåhan*, no appropriation shall be made from any anticipated
15 revenue in Fiscal Year 2016 in excess of the estimated revenues for Fiscal
16 Year 2016 adopted in Section 2 of Chapter I of Public Law 33-66 for such
17 revenue sources, except pursuant to the authorizations in §3 of this Act.

18 **Section 5. Severability.** *If* any provision of this Act or its application
19 to any person or circumstance is found to be invalid or contrary to law,
20 such invalidity *shall* not affect other provisions or applications of this Act
21 which can be given effect without the invalid provisions or application,
22 and to this end the provisions of this Act are severable.