


I MINA' TRENTAI TRES NA LIHESLATURAN GUAHAN
2016 (SECOND) Regular Session

Bill No. 346-33 (COR)

Introduced by:

Rory J. Respicio 

AN ACT TO AMEND § 26203(K)(9); TO AMEND § 26203(K)(28) TO (32); AND TO ADD § 26203.1 TO ARTICLE 2, CHAPTER 26, ALL OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCREASING THE BUSINESS PRIVILEGE TAX EXEMPTION FOR SMALL BUSINESSES TO ONE HUNDRED FORTY THOUSAND (\$140,000) AND INCREASE TO ONE HUNDRED FIFTY THOUSAND (\$150,000) THE INCOME THRESHOLD TO QUALIFY FOR THE EXEMPTION.

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1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Intent.** § 26203 (k) (9), Article 2, Chapter 26, Title
3 11 of the Guam Code Annotated is hereby *amended* to read:

4 “(9) The first One Hundred Forty Thousand Dollars (\$140,000) earned or
5 received per taxable year by any person as rental income from real property
6 whose gross annual rental income from real property is less than One
7 Hundred Fifty Thousand Dollars (\$150,000) during the most recent tax year.
8 The exemption shall apply annually, commencing at the first day of the
9 month of the new tax year, based on the gross annual rental income of a
10 person during the most recent year, and shall end on the last day of the last
11 month of the same tax year.”

12 **Section 2.** § 26203(k)(28) to (32), Article 2, Chapter 26, Title 11 of the
13 Guam Code Annotated is hereby *amended* to read:

1 “(28) The first One Hundred Forty Thousand Dollars (\$140,000)
2 earned or received per taxable year by any person as income from retailing
3 whose gross annual retail income is less than One Hundred Fifty Thousand
4 Dollars (\$150,000) during the most recent tax year. The exemption shall
5 apply annually, commencing at the first day of the month of the new tax
6 year, subject to the gross annual retail income of a person during the most
7 recent year, and shall end on the last day of the last month of the same tax
8 year.

9 (29) The first One Hundred Forty Thousand Dollars (\$140,000)
10 earned or received per taxable year by any person as income service, which
11 includes, but is not limited to, legal; medical; dental; accounting; consulting
12 and engineering fees; commissions on real estate sales or property
13 management; fees charged by barbershops, beauty parlors, shoe shining
14 parlors, dry cleaning and laundry establishments; and automobile, appliance,
15 electronics and computer repair shops, whose gross annual service income is
16 less than One Hundred Fifty Thousand Dollars (\$150,000.00) during the
17 most recent tax year. This exemption shall apply annually, commencing at
18 the first day of the month of the new tax year, subject to the gross annual
19 service income of the person during the most recent tax year, and shall end
20 on the last day of the month of the same tax year.

21 (30) The first One Hundred Forty Thousand Dollars (\$140,000)
22 earned or received per taxable year by person as rental income whose gross
23 annual rental income is less than One Hundred Fifty Thousand Dollars
24 (\$150,000.00) during the most recent tax year. This exemption shall apply
25 annually, commencing at the first day of the month of the new tax year,
26 based on the gross annual rental income of a person during the most recent
27 year, and shall end on the last day of the last month of the same tax year.

1 (31) The first One Hundred Forty Thousand Dollars (\$140,000.00)
2 earned or received per taxable year by a person, partnership or corporation
3 as commission income whose gross annual commission income is less than
4 One Hundred Fifty Thousand Dollars (\$150,000.00) during the most recent
5 tax year. This exemption shall apply annually, commencing at the first day
6 of the month of the new tax year, subject to the gross annual income of the
7 person during the most recent tax year, and shall end on the last day of the
8 month of the same tax year.

9 (32) The first One Hundred Forty Thousand Dollars (\$140,000)
10 earned or received per taxable year by a licensed insurance company as
11 insurance premium income whose gross annual insurance premium income
12 is less than One Hundred Fifty Thousand Dollars (\$150,000.00) during the
13 most recent tax year. This exemption shall apply annually, commencing at
14 the first day of the month of the new tax year, subject to the gross annual
15 income of the person during the most recent tax year, and shall end on the
16 last day of the month of the same tax year.”

17 **Section 3.** A new § 26203.1 Article 2, Chapter 26, Title 11 of the Guam
18 Code Annotated is hereby *added to read*:

19 “**§ 26203.1. Exemption Limitation.**

20 The aggregate amount of exemption allowed under § 26203(k) (9),
21 (28), (29) and (30) of this Chapter for the taxable year shall not exceed One
22 Hundred Fifty Thousand Dollars (\$150,000.00).”

23 **Section 4. Effective Date.** This Act *shall* take effect on January 1, 2017.