

MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN
2005 (FIRST) Regular Session

Bill No. 22 (EC)

Introduced by:

Mark Forbes 

**AN ACT TO ADD TO A NEW ITEM (5) TO
SUBSECTION 26202. OF ARTICLE 2, CHAPTER 26,
DIVISION 2, 11GCA AND A NEW SUBSECTION (i)
TO SECTION 28106. OF CHAPTER 28, ARTICLE 2,
CHAPTER 28, 11GCA, FOR THE PURPOSE OF
EXEMPTING THE SALE OF MEDICINE,
PHARMACEUTICALS, MEDICAL EQUIPMENT AND
MEDICAL SUPPLY, AS WELL AS THE PROVISION
OF MEDICAL SERVICES FROM THE APPLICATION
OF THE GROSS RECEIPTS TAX AND TO REMOVE
THE APPLICATION OF THE USE TAX FROM THE
IMPORTATION OF MEDICAL EQUIPMENT.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. The government of Guam currently applies the four percent (4%) gross receipts tax to the sale of medicines, pharmaceuticals, pharmaceutical and medical supplies and the provision of medical care and service to the people of Guam. This tax makes it more expensive for the people of Guam to acquire life-saving medicines or seek medical care. Given the financial hardships being experienced by many of the people of Guam, the government ought not to be contributing to a higher cost of medical care or medicines needed by our people. This act is intended to remove the application of the GRT from the sale of medicines, pharmaceuticals,

1 pharmaceutical and medical supply, medical devices and medical
2 equipment sold to patients, doctor's offices and practices, medical
3 clinics, medical centers and medical treatment centers, and the provision
4 of medical care and services by licensed physicians to patients. It is also
5 intended to remove the application of the Use Tax from the importation
6 of medical equipment by patients, doctor's offices, clinics and medical
7 practices.

8 **Section 2. Exemption.** A new item (5) is added to section 26202.,
9 Article 2, Chapter 26, Division 2, 11GCA to read:

10 “(5) *Provided*, that the tax imposed by this Chapter shall *not* be
11 required or imposed upon the sale of any medicine or medication,
12 whether sold by prescription or without prescription. The tax imposed
13 by this Chapter shall likewise *not* be imposed for the sale of any item of
14 pharmaceutical or medical supply, *nor* for the sale of any piece of
15 medical equipment when such equipment is being purchased by a
16 patient for their own use, *nor* for the sale of any piece of medical
17 equipment when such equipment is being purchased by a hospital,
18 doctor, doctor's office or practice, medical clinic, medical center or
19 medical treatment center for the diagnosis or treatment of patients, *nor*
20 for the sale of any piece of medical equipment when such equipment is
21 being purchased by a person donating such equipment for a patient's
22 use. The tax imposed by this Chapter shall *not* be imposed for any care
23 or services provided by a licensed physician to a patient, *nor* for any
24 medical treatment provided to a patient subject or consequent to a

1 prescription, referral or treatment plan by a licensed physician. For the
2 purposes of this section, a patient shall be defined as someone who is
3 undergoing diagnosis for a possible disease, malady, medical condition
4 or disorder or a person receiving treatment for same.”

5 **Section 3. Exemption from use tax.** A new subsection (i) is added to
6 Section 28106. of Chapter 28, Article 2, Chapter 28, 11GCA to read:

7 “(i) All equipment purchased by a doctor, doctor’s office or
8 practice, medical clinic, hospital, medical center or medical treatment
9 center, a patient or a person donating such equipment for the use of a
10 patient, when such equipment is purchased for the diagnosis or
11 treatment of patients. For the purposes of this section, a patient shall be
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