

**MINA BENTE OCHO NA LIHESLATURAN GUÅHAN
2006 (SECOND) REGULAR SESSION**

BILL NO. 371 (EC)
INTRODUCED BY:

F. B. AGUON, JR.
A. B. PALACIOS
B. J. CRUZ
R. J. RESPICIO

J. Won Port

AN ACT RELATIVE TO PROVIDING A TAX EXEMPTION ON THE COST OF LIVING ALLOWANCE PAYMENTS TO BE PROVIDED TO THE GOVERNMENT OF GUAM RETIREES WHO HAVE WAITED FOR MORE THAN THIRTEEN (13) YEARS FOR JUSTICE TO BE RENDERED, AND FOR THE RECEIPT OF THESE COLA PAYMENTS; COLA PAYMENT AMOUNTS ARE IN ACCORDANCE WITH SPECIAL PROCEEDINGS CASE NO. SP0206-93, CANDELARIA TAITANO RIOS V. FELIX P. CAMACHO.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Intent and Findings.

3 The Liheslaturan Guahan finds that a significant number of
4 government of Guam retirees have waited for more than thirteen years for
5 the government of Guam to recognize the COLA obligation, in accordance
6 with a recent court decision. This court judgment identified as Special
7 Proceedings Case No. SP0206-93, Candelaria Taitano Rios v. Felix P.
8 Camacho, provided a financial figure by the judge on the amount of the
9 COLA that should be remitted to the retirees identified therein. The
10 Liheslaturan Guahan further finds that these retirees who will be recipients

1 of the COLA payments have unnecessarily had to wait for far too long for
2 receipt of this obligation, and thus it would be appropriate to allow for a
3 tax exemption on these specific COLA payments. A tax exemption would
4 allow these retirees to receive the full amount of the COLA payments due,
5 and further enable them to fully expend these funds for their personal
6 needs. Because many of these recipients are presently on fixed income and
7 with the increasing costs of healthcare, utilities, and other items on island,
8 this tax exemption on the COLA payments will directly assist the retirees
9 in meeting their daily expenses.

10 Therefore it is the intent of I Liheslaturan Guahan to not only insure
11 that funds are identified to comply with the judgment and to pay the
12 retirees their much-awaited COLA, but because these retirees have waited
13 for over thirteen years it is appropriate that a tax exemption be applied, in
14 accordance with Guam's Territorial Tax Laws, toward this specific COLA
15 payment. This legislation would provide for such tax exemption.

16 **Section 2. Tax Exemption on the Cost of Living Allowance for**
17 **Retiree Beneficiaries Who will be Receiving COLA Payments Pursuant**
18 **to Special Proceedings Case No. SP0206-93, Candelaria Taitano Rios v.**
19 **Felix P. Camacho, 2006.**

20 To the extent permitted under the Guam Territorial Income Tax Law,
21 the cost of living allowance payments mandated by the Superior Court of
22 Guam pursuant to Special Proceedings Case No. SP0206-93, Candelaria

- 1 Taitano Rios v. Felix P. Camacho, 2006, shall not be taxed as income to the
- 2 recipient of the cost of living allowance.