

Introduced
JAN 01 2007
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I MINA'BENTE NUEBE NA LIHESLATURAN GUÅHAN
2007 (FIRST) REGULAR SESSION

Bill No. 8 (LS)

Introduced by:

J. A. Lujan
Edward J.B. Calvo
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AN ACT TO AUTHORIZE CREDITS AGAINST GROSS RECEIPTS TAXES FOR BUSINESSES WHO CONTRIBUTE FOR THE CONSTRUCTION, DEVELOPMENT, UPGRADING, REPAIR AND MAINTENANCE OF ANY VILLAGE RECREATIONAL OR SPORTS FACILITY.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent. I Liheslaturan Guåhan
3 recognizes the importance of developing and maintaining athletic facilities that
4 enhances the development and growth of such sports as football, soccer, tennis,
5 baseball, softball, and rugby on our island; encourages youth, adult and family
6 participation in athletics; and, encourages sporting and outdoor activities. Quality
7 athletic programs and activities not only promote physical fitness for our youths
8 and citizenry, but also develops self-esteem that impart valuable life skills, such as
9 teamwork, cooperation, respect, fair-play, focus and discipline. Despite the
10 importance of such programs and activities, there is a severe shortage of quality

1 athletic facilities on Guam, in part as a result of the damage caused by high public
2 use and typhoons.

3 *I Liheslaturan Guåhan* further finds that the island lacks much-needed
4 sports/recreational facilities within villages, and for those villages who currently
5 have such facilities, they lack the funding for proper maintenance and repair. While
6 residents continue to deal with dilapidated facilities when playing sports or doing
7 their recreational activities, others have to commute to the nearest village that offers
8 the recreational/sports facilities they need. Therefore, it is the intent of *I Liheslaturan*
9 *Guåhan* to provide an incentive to businesses that are willing to contribute for the
10 construction, development, upgrading, repair or maintenance of village
11 recreational/sports facilities by authorizing gross receipts tax credits.

12 **Section 2. Gross Receipts Tax Credit for Contributions Made to the**
13 **Mayor's Council of Guam.**

14 **(a) Definition.** *A village recreational or sports facility* or in its plural
15 form, shall mean a public recreation or sports facility under the control
16 of a village mayor including, but not limited to, gymnasiums, baseball,
17 soccer and football fields constructed, developed, upgraded, repaired, or

1 maintained by an individual, corporation, or limited liability company
2 under the provisions of this Act.

3 **(b) Tax Credit Capitation per Village.** The aggregate amount of
4 tax credit authorized per village through contributions made to the
5 Mayors Council of Guam for public recreational or sports facilities shall
6 not exceed Eighty Thousand Dollars (\$80,000.00).

7 **(c) Authorized Tax Credit Claimed.** For each contributing
8 business, the tax credit authorized shall not exceed the actual dollar
9 value of the expenditures, materials, labor and services made by a
10 contributing business for the development, construction, maintenance
11 and improvement of a village recreational or sports facility.

12 **(d) Determination of Contribution Amount.** The amount of
13 contribution or value for donated materials, labor and services used in
14 the development, construction, maintenance, and improvement of
15 village recreational or sports facilities shall be at the standard pricing
16 and rates of the contributing business.

1 **(e) Approval of Contributions.** The Guam Economic
2 Development and Commerce Authority or its designee shall verify and
3 approve the contributions made towards the development, construction,
4 maintenance, and improvement of village recreational or sports
5 facilities.

6 **Section 3. Voluntary Relinquishment of Charitable Contribution**
7 **Deduction under the Internal Revenue Code.** Any individual, corporation, or
8 limited liability company claiming Business Gross Receipts Tax Credits through
9 contributions as authorized by the provisions of this Act, agrees to voluntarily
10 relinquish any and all rights to claim a charitable deduction which may be
11 deductible under the Internal Revenue Code.

12 **Section 4. Administrative Rules and Regulations.** Subject to the
13 provisions of this Act, the Guam Economic Development and Commerce Authority
14 shall administer the tax credits portion of this Act pursuant to the existing Guam
15 Raceway Park rules and regulations.

16 **Section 5. Fines and Penalties.** To the extent that a business providing
17 materials, labor or services to a village recreational or sport facility take more tax
18 benefits in terms of business gross receipts taxes than the actual value of the

1 materials, labor or services contributed to the project authorized herein, that
2 business shall be required to pay all interests and penalties applicable under Guam
3 law and the Internal Revenue Code for failure to pay taxes in addition to payment
4 of the actual taxes due.

5 **Section 6. Severability.** If any provision of this Act or its application to any
6 person or circumstances is found to be invalid or contrary to law, such invalidity
7 shall not affect other provisions or applications of this Act that can be given effect
8 without the invalid provisions or applications, and to this end the provisions of this
9 Act are severable.