

I MINA' BENTE NUEBI NA LIHESLATURAN GUÅHAN
2007 (FIRST) REGULAR SESSION

Bill No. 94 (LS)

Introduced by:

v.c. pangelinan

2007 APR 16 AM 10:31
CDBW

AN ACT TO AMEND 11 GCA §26201 RELATIVE TO
GROSS RECEIPTS TAXES.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent. *I Liheslaturan Guahan* finds
3 that businesses opting to show their customers the amount of Gross Receipt
4 Tax (GRT) paid to the government following a customer transaction are
5 applied utilizing varying methods of showing the GRT. The different
6 methods employed in visibly displaying the GRT has thus lead confusion on
7 the part of the customer. Therefore, it is the intent of *I Liheslatura* to
8 standardize the method of displaying GRT on customer receipts to avoid any
9 further confusion.

10 Section 2. 11 GCA §26201 is hereby amended to read as follows:

11 "§26201. Levy.

12 (a) There is hereby levied and shall be assessed and collected monthly
13 privilege taxes against the persons on account of their businesses
14 and other activities in Guam measured by the application of rates
15 against values, gross proceeds of sales or gross income, as the case
16 may be.

17 (b) A person engaging in, transacting, conducting, continuing, doing, or

1 carrying on a business in Guam, who is required to pay taxes levied
2 in this Chapter and opts to show to each customer the amount that
3 will be transmitted to the government of Guam as a result of the
4 customer's transaction, may exclude GRT reimbursement collected
5 from the measure of taxable gross receipts.

6 (c) A person who opts to show to each customer the amount of the
7 tax levied in this Chapter that will be transmitted to the government of
8 Guam as a result of the customer's transaction, shall not display,
9 advertise, mark, present an invoice or bill for payment, or hold out to
10 the public any manner directly or indirectly the cost of the transaction
11 without including the tax levied by this Chapter. The tax levied
12 pursuant to this Section shall not be presented nor added to the cost of
13 the transaction at the point of sale or collection of the transaction.

14 Example:

15 Allowed under this provision:

16 Cost of Item or Service: \$1.00

17 GRT: \$.06

18 Total Cost \$1.00

19 Not allowed under this provision:

20 Cost of Item or Service \$1.00

21 GRT: \$.04

22 Total Cost \$1.04

23 (e) (d) A person engaging in, transacting, conducting, continuing, doing,
24 or carrying on a business in Guam shall annually notify the Department

1 of Revenue and Taxation of its election pursuant to Subsection (b) of this
2 Section

3 ~~(d)~~ (e) Notwithstanding the Administrative Adjudication Law, the
4 Director of the Department of Revenue and Taxation shall promulgate
5 the necessary rules to effectively implement 11 GCA §26201 (b) and ~~(e)~~
6 (d), no later than December 05, 2003. The rules shall become effective
7 upon submission to *I Liheslaturan Guahan*. Subsequent changes to such
8 rules shall be pursuant to the Administrative Adjudication Law or by
9 statute.

10 **Section 3. Severability.** If any of the provisions of this Act or
11 the application thereof to any person or circumstance is held invalid, such
12 invalidity shall not affect any other provision or application of this Act which
13 can be given effect without the invalid provision or application, and to this
14 end the provisions of this Act are severable.