

*I Mina'Trentai Dos Na Liheslaturan Received*  
**Bill Log Sheet**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
<b>323-32 (COR)</b>	Chris M. Dueñas T. A. Morrison Brant T. McCreddie V. Anthony Ada Aline A. Yamashita, Ph.D. Michael T. Limtiaco	AN ACT TO REDUCE THE BUSINESS PRIVILEGE TAX RATE FROM FOUR PERCENT (4%) TO THREE AND EIGHT-TENTHS PERCENT (3.8%); TO INCREASE CERTAIN BUSINESS PRIVILEGE TAX EXEMPTIONS FROM FORTY PERCENT (40%) TO SEVENTY-FIVE PERCENT (75%); AND, TO REPEAL 11 GCA § 26203.1, RELATIVE TO EXEMPTION LIMITATIONS.	4/21/14 2:05 p.m.	04/22/14	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land			<b>Fiscal Note Request 4/28/14</b>  <b>Fiscal Note Received 7/17/14</b>



# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature

155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)

E-mail: [roryforguam@gmail.com](mailto:roryforguam@gmail.com) • Tel: (671)472-7679 • Fax: (671)472-3547

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MAJORITY LEADER

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VICE CHAIRPERSON  
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Aline Yamashita  
Member

July 17, 2014

## Memorandum

**To:** Rennae Meno  
*Clerk of the Legislature*

**From:** Senator Thomas C. Ada *[Signature]*  
*Acting Chairperson of the Committee on Rules*

**Subject:** Fiscal Notes

*Hafa Adai!*

Attached please find the fiscal notes for the bill numbers listed below.  
Please note that the fiscal notes are issued on the bills as introduced.

### FISCAL NOTES:

- Bill No. 320-32(LS)
- Bill No. 323-32(COR)
- Bill No. 338-32(COR)
- Bill No. 344-32(COR)
- Bill No. 352-32(LS)
- Bill No. 353-32(LS)
- Bill No. 357-32(COR)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

*Si Yu'os ma'åse'!*

2014 JUL 17 PM 1:00 CE

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR  
Post Office Box 2950, Hagåtña Guam 96932

**EDDIE BAZA CALVO**  
GOVERNOR

**ANTHONY C. BLAZ**  
ACTING DIRECTOR

**RAY TENORIO**  
LIEUTENANT GOVERNOR

**JOSE S. CALVO**  
ACTING DEPUTY DIRECTOR

**JUL 15 2014**

Senator Rory J. Respicio  
Chairperson, Committee on Rules  
I Mina'trentai Dos na Liheslaturan Guåhan  
The 32nd Guam Legislature  
155 Hesler Place  
Hagåtña, Guam 96932

*Hafa Adai* Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: 320-32(LS), 323-32(COR), 338-32(COR), 344-32(COR), 352-32(LS), 353-32(LS) and 357-32(COR).

If you have any question(s), please do not hesitate to call the office at 475-9412/9106.

  
**ANTHONY C. BLAZ**  
Acting Director

Enclosures  
cc: Senator Vicente (ben) Pangelinan

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 323-32 (COR)**

**AN ACT TO REDUCE THE BUSINESS PRIVILEGE TAX RATE FROM FOUR PERCENT (4%) TO THREE AND EIGHT-TENTHS PERCENT (3.8%); TO INCREASE CERTAIN BUSINESS PRIVILEGE TAX EXEMPTIONS FROM FORTY PERCENT (40%) TO SEVENTY-FIVE PERCENT (75%); AND, TO REPEAL 11 GCA § 26203.1, RELATIVE TO EXEMPTION LIMITATIONS.**

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Revenue and Taxation (DRT)	Dept./Agency Head: John P. Camacho
Department's General Fund (GF) appropriation(s) to date:	8,196,472
Department's Other Fund (Specify) appropriation(s) to date: \$821,435 (Tax Collection Enhancement Fund) / \$1,620,468 (Better Public Service Fund)	2,441,903
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$10,638,375</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	(Special Fund):	Total:
FY 2012 Unreserved Fund Balance <sup>1</sup>		\$0	\$0
FY 2014 Adopted Revenues	\$0	\$0	\$0
FY 2014 Appro. (P.L. 32-68)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2014 (if applicable)	FY 2015	FY 2016	FY 2017	FY 2018
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

1. Does the bill contain "revenue generating" provisions? // Yes      /x/ No  
If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? /x/ N/A      // Yes      // No  
If no, what is the additional amount required? /x/ N/A
3. Does the Bill establish a new program/agency? // Yes      /x/ No  
If yes, will the program duplicate existing programs/agencies? /x/ N/A      // Yes      // No  
Is there a federal mandate to establish the program/agency? // Yes      /x/ No
4. Will the enactment of this Bill require new physical facilities? // Yes      /x/ No
5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /x/ Yes      // No  
/x/ Requested agency comments not received by due date      / / Other:

Analyst: Michael M. Aflague, B&M Analyst IV      Date: 7/8/14      Director: Anthony C. Blaz, Acting Director      Date: 7-14-14

<sup>1/</sup> The Bureau anticipates increases to total Income Tax collections resulting from the increase in the minimum wage. Correspondingly, a .2% reduction in Business Privilege Tax is being proposed along with tax exemptions up to \$75K. For illustrative purposes, the government may experience a decline of \$466K+ to Business Privilege Taxes based on FY 2014 adopted revenues (P.L. 32-68).



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April 28, 2014

VIA E-MAIL

[john.rios@bbmr.guam.gov](mailto:john.rios@bbmr.guam.gov)

**John A. Rios**  
**Director**  
**Bureau of Budget & Management Research**  
**P.O. Box 2950**  
**Hagåtña, Guam 96910**

**RE: Request for Fiscal Notes– Bill Nos. 321-32 (COR), 323-32(COR),  
and 324-32(COR)**

*Hafa Adai* Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guåhan's* most recently introduced bills. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bills.

*Si Yu'os ma'åse'* for your attention to this matter.

Very Truly Yours,

**Senator Rory J. Respicio**  
*Chairperson of the Committee on Rules*

Attachment (1)

Cc: Clerk of the Legislature

<b>Bill Nos.</b>	<b>Sponsors</b>	<b>Title</b>
<b>321-32 (COR)</b>	V. Anthony Ada, C.M. Duenas	AN ACT TO AMEND §80.50 TO CHAPTER 80 OF 9GCA RELATIVE INCREASING FINES FOR FELONIES, MISDEMEANORS AND VIOLATIONS.
<b>323-32 (COR)</b>	Chris M. Dueñas T. A. Morrison Brant T. McCreddie V. Anthony Ada Aline A. Yamashita, Ph.D. Michael T. Limtiaco	AN ACT TO REDUCE THE BUSINESS PRIVILEGE TAX RATE FROM FOUR PERCENT (4%) TO THREE AND EIGHT- TENTHS PERCENT (3.8%); TO INCREASE CERTAIN BUSINESS PRIVILEGE TAX EXEMPTIONS FROM FORTY PERCENT (40%) TO SEVENTY-FIVE PERCENT (75%); AND, TO REPEAL 11 GCA § 26203.1, RELATIVE TO EXEMPTION LIMITATIONS.
<b>324-32 (COR)</b>	FRANK B. AGUON, JR.	AN ACT TO ADD A §849.8 TO CHAPTER 1 OF ARTICLE 1 OF TITLE 1 GUAM CODE ANNOTATED; RELATIVE TO NAMING THE EAST AGANA BEACH PARK TO THE "INETNON LALÅHEN GUÅHAN- YMLG CENTENNIAL BEACH PARK" IN HONOR OF THE YOUNG MEN'S LEAGUE OF GUAM ORGANIZATION.



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April 22, 2014

### MEMORANDUM

**To: Rennae Meno**  
*Clerk of the Legislature*

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

**From: Senator Rory J. Respicio**   
*Chairperson of the Committee on Rules*

**Subject: Referral of Bill No. 323-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 323-32(COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

Attachment

*I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN*  
2014 (SECOND) REGULAR SESSION

Bill No. 323-312 (COM)

Introduced by:

Chris M. Dueñas  
T. A. Morrison  
Brant T. McCreadie  
V. Anthony Ada  
Aline A. Yamashita, PhD  
Michael T. Limtiaco

**AN ACT TO *REDUCE* THE BUSINESS PRIVILEGE TAX RATE FROM FOUR PERCENT (4%) TO THREE AND EIGHT-TENTHS PERCENT (3.8%); TO *INCREASE* CERTAIN BUSINESS PRIVILEGE TAX EXEMPTIONS FROM FORTY PERCENT (40%) TO SEVENTY-FIVE PERCENT (75%); AND, TO REPEAL 11 GCA § 26203.1, RELATIVE TO EXEMPTION LIMITATIONS.**

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

**Section 1. Legislative Statement.** This tax cut proposal seeks to strike a balance between legislative proposals to increase the minimum wage from its current \$7.25 per hour to \$10.10 per hour by reducing the taxes due on certain business activity. This legislation also proposes to coincide the raising of the threshold of gross revenue exempted from Business Privilege Taxes from its current level of \$40,000 in annual revenue to \$50,000 when the first wage increment goes into effect on January 1, 2015. The threshold will increase to \$60,000 on the same date when the second increment takes effect on January 1, 2016. When the final wage increment is implemented on January 1, 2017, the final increase to the threshold of \$75,000 in annual revenue shall also take effect.

**Section 2. Reduction of Business Privilege Tax Rate.** Notwithstanding any other provision of law, the four percent (4%) business privilege tax rate contained in 11 GCA § 26202 (a), c), (d), (e), (f), (g), (h), (i), and (j) shall be amended to three and eight-tenths percent (3.8%) effective January 1, 2015.

2014 APR 21 PM 2:05



1           **Section 3. Reduction of Business Privilege Tax Exemptions.** Notwithstanding any  
2 other provision of law, the Forty Thousand Dollars (\$40,000.00) exemptions contained in items (9),  
3 (28), (29), (30), (31), and (32) of 11 GCA § 26203(k)11 GCA 26203 (k)(9) shall be increased to  
4 Fifty Thousand Dollars (\$50,000.00) effective January 1, 2015; to Sixty Thousand Dollars  
5 (\$60,000.00) effective January 1, 2016; and, to Seventy-five Thousand Dollars (\$75,000.00)  
6 effective January 1, 2017.

7           **Section 4. 11 GCA § 26203.1 is repealed.**

8           ~~“§ 26203.1. Exemption Limitation. The aggregate amount of exemption allowed under~~  
9 ~~Items (9), (28), (29) and (30) of Subsection 26203(k) of this Chapter for the taxable year shall not~~  
10 ~~exceed Fifty Thousand Dollars (\$50,000.00).”~~

11           **Section 5. Effective Dates.** Unless explicitly stated in this Act, the changes to the  
12 Business Privilege Tax rate and exemptions contained herein shall take effect upon enactment.