



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature
155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com
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2013 MAY -9 PM 4: 22

Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

May 9, 2013

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

VIA E-MAIL
john.rios@bbmr.guam.gov

Senator
Vicente (Ben) C. Pangelinan
Member

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

Speaker
Judith T.P. Won Pat, Ed.D.
Member

RE: Request for Fiscal Note- Bill Nos. 109 & 110 (COR)

Senator
Dennis G. Rodriguez, Jr.
Member

Hafa Adai Mr. Rios:

Vice-Speaker
Benjamin J.F. Cruz
Member

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.

Legislative Secretary
Tina Rose Muña Barnes
Member

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

Senator
Frank Blas Aguon, Jr.
Member

Very Truly Yours,

Senator
Michael F.Q. San Nicolas
Member

Senator Rory J. Respicio
Chairperson, Committee on Rules

Senator
V. Anthony Ada
Member
MINORITY LEADER

Attachments (1)

Senator
Aline Yamashita
Member

Cc: Clerk of the Legislature

Bill Nos.	Sponsor	Title
109-32 (COR)	Michael F.Q. San Nicolas, B.J.F. Cruz	AN ACT TO AMEND §26205 OF ARTICLE 2, CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO INCREASING THE STATUTE OF LIMITATIONS ON THE COLLECTION OF UNPAID BUSINESS PRIVILEGE TAX TO TEN(10) YEARS.
110-32 (COR)	V. Anthony Ada	AN ACT TO ADD A NEW CHAPTER 8 TO 11GCA RELATIVE TO QUANTIFYING AND REPORTING THE EFFECTS OF THE EARNED INCOME TAX CREDIT (EITC) AS IT RELATES TO THE COMPACTS OF FREE ASSOCIATION.



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May 8, 2013

MEMORANDUM

To: Rennae Meno
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: Senator Rory J. Respicio
Majority Leader & Rules Chair

Subject: Referral of Bill Nos. 109 & 110-32(COR)

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill Nos. 109 & 110-32(COR)**.

Please ensure that the subject bills are 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
2013 (FIRST) Regular Session

Bill No. 109-32 (COR)

Introduced by:

Michael F.O. San Nicolas
B.J.F. Cruz

2013 MAY - 8 PM 3:00

AN ACT TO AMEND §26205 OF ARTICLE 2, CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO INCREASING THE STATUTE OF LIMITATIONS ON THE COLLECTION OF UNPAID BUSINESS PRIVILEGE TAX TO TEN (10) YEARS.

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

2 **Section 1. Short Title.** This Act *shall* be cited as the "Responsible
3 Business Privilege Tax Statutes of Limitations Act."

4 **Section 2. Legislative Findings and Intent.** *I Liheslaturan Guåhan*
5 finds that there was no statute of limitations on the collection of the Gross
6 Receipts Tax until, on November 14, 1987, Governor Joseph F. Ada
7 approved Public Law 19-10, which established a seven (7) year statute of
8 limitations.

9 *I Liheslatura* finds that, in contrast to the seven (7) year statute of
10 limitations on collections of the Gross Receipts Tax, now called the
11 Business Privilege Tax, the statute of limitations for collections by the
12 Department of Revenue and Taxation pursuant to taxes under the mirror
13 tax, established by the Organic Act, is ten (10) years. The government of

1 Guam has three (3) extra years to collect for taxes under the Internal
2 Revenue Code mirror tax, as compared to businesses taxed under the
3 Business Privilege Tax.

4 *I Liheslatura* further finds that the extension of the statute of
5 limitations for collections of the Business Privilege Tax would result in
6 \$5,794,530.62 in additional potential revenue, which could be used to
7 support vital public services.

8 *I Liheslaturan Guåhan* finds that the recent performance audit report
9 by the Office of Public Accountability on Gross Receipts Tax Exemptions
10 reveals significant challenges with the monitoring, reporting and collection
11 of the Gross Receipts Tax, which underline the usefulness in extending the
12 statute of limitations because it applies from the time when the tax return is
13 filed.

14 It is therefore the intent of *I Liheslatura* that the statute of limitations
15 for collections be standardized within the Department of Revenue and
16 Taxation by adopting a ten (10) year statute of limitations for the collection
17 of the Business Privilege Tax.

18 **Section 3. Statute of Limitations for Collections of the Business**
19 **Privilege Tax.** § 26205, Article 2, Chapter 26, Title 11, Guam Code
20 Annotated, is hereby *amended*, to read:

21 **“§ 26205. Statute of Limitations for Collections.**

22 The statute of limitations for collections of unpaid taxes due on
23 business privilege tax returns *shall* be ten (10) ~~seven (7)~~ years after the

1 return is filed. For amendment, correction, adjustment, challenge,
2 determination of correctness of the amount of taxes paid, or audit of
3 income reported and the correctness of the amount of tax liability shown
4 on the business privilege tax returns, the statute of limitations *shall* be three
5 (3) years after filing and payment of taxes due. There *shall* be no statute of
6 limitations on unfiled business privilege tax returns or on the collection of
7 taxes on revenues not shown or reported on Business Privilege Tax
8 Returns.”

9 **Section 4. Severability.** If any of the provisions of this Act, or the
10 application thereof to any person or circumstance, is held invalid, such
11 invalidity *shall* not affect any other provision or application of this Act
12 which can be given effect without the invalid provision or application, and
13 to this end the provisions of this Act are severable.