



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

JUL 08 2013

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'trentai Dos Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

32-13-570
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date: 7/8/13
Time: 4:39
Received by: [Signature]

Dear Madame Speaker:

Transmitted herewith is Bill No.109-32 (COR) "AN ACT TO AMEND §26205 OF ARTICLE 2, CHAPTER 26 OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO INCREASING THE STATUTE OF LIMITATIONS ON THE COLLECTION OF UNPAID BUSINESS PRIVILEGE TAXES TO TEN (10) YEARS" which I signed into law on July 5, 2013 as Public Law 32-050.

Senseramente,

EDDIE BAZA CALVO
I Maga'lahaen Guåhan
Governor of Guam

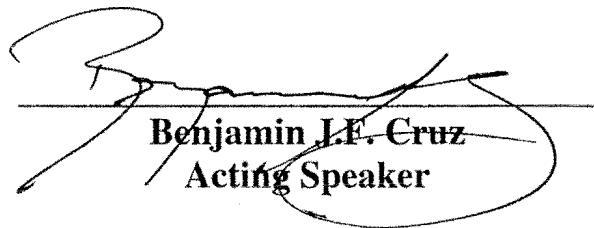
Attachment: copy of Bill

2013 JUL -8 PM 4:59 [Signature]

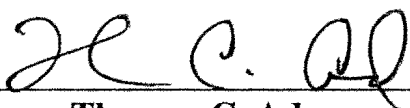
I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

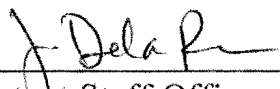
This is to certify that **Bill No. 109-32 (COR)**, "AN ACT TO AMEND §26205 OF ARTICLE 2, CHAPTER 26 OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO INCREASING THE STATUTE OF LIMITATIONS ON THE COLLECTION OF UNPAID BUSINESS PRIVILEGE TAXES TO TEN (10) YEARS", was on the 24th day of June, 2013, duly and regularly passed.


Benjamin J.F. Cruz
Acting Speaker

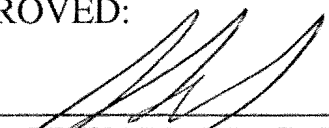
Attested:


Thomas C. Ada
Acting Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 26th day of June, 2013, at 3:00 o'clock P.M.


Assistant Staff Officer
Maga'lahi's Office

APPROVED:


EDWARD J.B. CALVO
I Maga'lahaen Guåhan

Date: JUL 05 2013

Public Law No. 32-050

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

Bill No. 109-32 (COR)

As amended by the Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation and Land; and further amended on the floor.

Introduced by:

Michael F. Q. San Nicolas
B.J.F. Cruz
Vicente (ben) C. Pangelinan
Aline A. Yamashita, Ph.D.
Frank B. Aguon, Jr.
T. C. Ada
V. Anthony Ada
Chris M. Dueñas
Michael T. Limtiaco
Brant T. McCreadie
Tommy Morrison
T. R. Muña Barnes
R. J. Respicio
Dennis G. Rodriguez, Jr.
Judith T. Won Pat, Ed.D.

AN ACT TO *AMEND* §26205 OF ARTICLE 2, CHAPTER 26 OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO INCREASING THE STATUTE OF LIMITATIONS ON THE COLLECTION OF UNPAID BUSINESS PRIVILEGE TAXES 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 Statute of Limitations Act.”

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

5 *I Liheslatura* finds that, in contrast to the seven year statute of limitations on
6 collections of the Gross Receipts Tax, now called the Business Privilege Tax, the
7 statute of limitations for collections by the Department of Revenue and Taxation
8 pursuant to taxes under the mirror tax, established by the Organic Act, is ten years.
9 The government of Guam has three extra years to collect taxes under the Internal
10 Revenue Code mirror tax, as compared to businesses taxed under the Business
11 Privilege Tax.

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

15 *I Liheslaturan Guåhan* finds that the recent performance audit report by the
16 Office of Public Accountability on Gross Receipts Tax exemptions reveals
17 significant challenges with the monitoring, reporting and collection of the Gross
18 Receipts Tax, which underline the usefulness in extending the statute of limitations
19 because it applies from the time when the tax return is filed.

20 It is, therefore, the intent of *I Liheslatura* that the statute of limitations for
21 collections be standardized within the Department of Revenue and Taxation by
22 adopting a ten year statute of limitations for the collection of the Business Privilege
23 Tax.

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

27 “§ 26205. Statute of Limitations for Collections.

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

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