



Refer to  
Legislative Secretary

CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

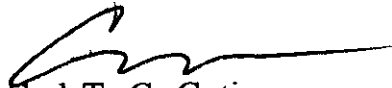
**JUN 09 1999**

The Honorable Antonio R. Unpingco  
Speaker  
I Mina'Bente Singko na Liheslaturan Guåhan  
Twenty-Fifth Guam Legislature  
Guam Legislature Temporary Building  
155 Hesler Street  
Hagåtña, Guam 96910

Dear Speaker Unpingco:

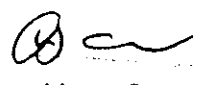
Enclosed please find Substitute Bill No. 164 (COR), "AN ACT TO AMEND §§50103, 50104, AND 50105, ALL OF CHAPTER 50, DIVISION 2 OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO EARNED INCOME TAX CREDIT AND CHILD TAX CREDIT FOR THE PEOPLE OF GUAM", which was enacted into law without the signature of I Maga'lāhen Guåhan, the Governor, on June 8, 1999 and is now designated as **Public Law No. 25-43**.

Very truly yours,

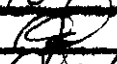
  
Carl T. C. Gutierrez  
I Maga'Lāhen Guåhan  
Governor of Guam

Attachment: copy attached for signed bill or overridden bill  
original attached for vetoed bill

cc: The Honorable Joanne M. S. Brown  
Legislative Secretary

OFFICE OF THE LEGISLATIVE SECRETARY  
EDMUND EDWARDS  
  
10:10  
6/10/99


00233

Office of the Speaker  
ANTONIO R. UNPINGCO  
Date: 6-9-99  
Time: 1340  
Rec'd by:   
Print Name: Charles

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN  
1999 (FIRST) Regular Session

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


This is to certify that Substitute Bill No. 164 (COR), "AN ACT TO AMEND §§50103, 50104, AND 50105, ALL OF CHAPTER 50, DIVISION 2 OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO EARNED INCOME TAX CREDIT AND CHILD TAX CREDIT FOR THE PEOPLE OF GUAM," was on the 24<sup>th</sup> day of May, 1999, duly and regularly passed.



---

ANTONIO R. UNPINGCO  
Speaker


Attested:



---

JOANNE M.S. BROWN  
Senator and Legislative Secretary

-----  
This Act was received by *I Maga'lahen Guahan* this 26<sup>th</sup> day of May, 1999,  
at 5:00 o'clock P.M.



---

Assistant Staff Officer  
*Maga'lahi's Office*

APPROVED:

---

CARL T. C. GUTIERREZ  
*I Maga'lahen Guahan*

Date: June 8, 1999

Public Law No. 25-43  
(*became law without the signature of I Maga'lahen Guahan, the Governor.*)

**MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN**  
**1999 (FIRST) Regular Session**

**Bill No. 164 (COR)**

As substituted on the Floor  
and amended.

Introduced by:

K. S. Moylan  
V. C. Pangelinan  
F. B. Aguon, Jr.  
E. C. Bermudes  
A. C. Blaz  
J. M.S. Brown  
E. B. Calvo  
M. G. Camacho  
Mark Forbes  
L. F. Kasperbauer  
A.C. Lamorena, V  
C. A. Leon Guerrero  
J. C. Salas  
S. A. Sanchez, II  
A. R. Unpingco

**AN ACT TO AMEND §§50103, 50104, AND 50105,  
ALL OF CHAPTER 50, DIVISION 2 OF TITLE 11,  
GUAM CODE ANNOTATED, RELATIVE TO  
EARNED INCOME TAX CREDIT AND CHILD TAX  
CREDIT FOR THE PEOPLE OF GUAM.**

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

2        **Section 1.** 11 GCA §50103 is amended to read:

3                **"§50103. Formula for Reserve Funds for Income Tax Refunds,**  
4        **Earned Income Tax Credits, and Child Tax Credits. Each year, the**

1 Director of Revenue and Taxation, in consultation with the Director of  
2 Administration and the Director of the Bureau of Budget and  
3 Management Research, shall establish a formula for reserving income  
4 tax receipts to pay income tax refunds, earned income tax credits, and  
5 child tax credits. Such formula shall be derived from the statistical  
6 average of income tax refunds, earned income tax credits, and child tax  
7 credits issued in the previous three (3) years, and shall further provide  
8 for reserving income tax receipts, on a percentage basis, in order to  
9 accumulate sufficient cash reserves to pay projected income tax refunds,  
10 earned income tax credits, and child tax credits in a timely manner.”

11 **Section 2.** 11 GCA §50104 is amended to read:

12 **“§50104. Deposit of General Fund Revenues Reserved**  
13 **for Income Tax Refunds, Earned Income Tax Credits, and Child**  
14 **Tax Credits.** In accordance with the formula provided for in  
15 §50103 of this Chapter, the Director of Administration shall  
16 deposit in the Fund all money reserved for income tax refunds,  
17 earned income tax credits, and child tax credits from income tax  
18 receipts.”

19 **Section 3.** 11 GCA §50105 is amended to read:

20 **“§50105. Expenditures from the Fund.** Any and all  
21 expenditures from the Fund shall be for the payment of income tax  
22 refunds, earned income tax credits, and child tax credits and for no  
23 other purpose. The fund is not subject to the provisions of §6120,

1 Government Code (Public Law 17-4), which provisions could otherwise  
2 permit *I Maga'lahaen Guahan* to pledge the Fund."

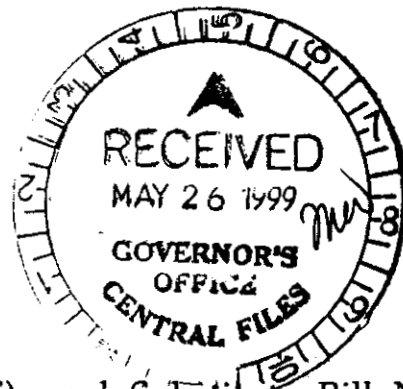


**MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN**  
**TWENTY-FIFTH GUAM LEGISLATURE**  
155 Hesler Street, Hagåtña, Guam 96910

May 26, 1999

COPY

The Honorable Carl T.C. Gutierrez  
*I Maga'lahaen Guåhan*  
*Ufisinan I Maga'lahi*  
*Hagåtña, Guam 96910*



Dear *Maga'lahi* Gutierrez:

Transmitted herewith are Bill No. 3 (LS), and Substitute Bill Nos. 62(COR), ~~164~~ (COR), 175 (COR) and 202 (COR) which were passed by *I Mina'Bente Singko Na Liheslaturan Guåhan* on May 24, 1999.

Sincerely,

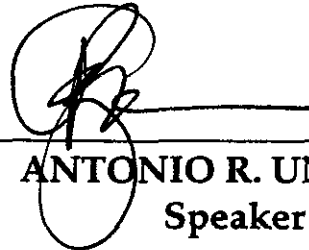
JOANNE M.S. BROWN  
Senator and Legislative Secretary

Enclosure (5)

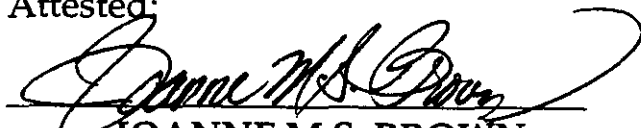
MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN  
1999 (FIRST) Regular Session

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


This is to certify that Substitute Bill No. 164 (COR), "AN ACT TO AMEND §§50103, 50104, AND 50105, ALL OF CHAPTER 50, DIVISION 2 OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO EARNED INCOME TAX CREDIT AND CHILD TAX CREDIT FOR THE PEOPLE OF GUAM," was on the 24<sup>th</sup> day of May, 1999, duly and regularly passed.

  
ANTONIO R. UNPINGCO  
Speaker

Attested:

  
JOANNE M.S. BROWN  
Senator and Legislative Secretary

.....  
This Act was received by *I Maga'lahaen Guahan* this 26<sup>th</sup> day of May, 1999,  
at 5:00 o'clock P.M.

  
Assistant Staff Officer  
*Maga'lahaen's Office*

APPROVED:

\_\_\_\_\_  
CARL T. C. GUTIERREZ  
*I Maga'lahaen Guahan*

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_

**MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN**  
**1999 (FIRST) Regular Session**

**Bill No. 164 (COR)**

As substituted on the Floor  
and amended.

Introduced by:

K. S. Moylan  
V. C. Pangelinan  
F. B. Aguon, Jr.  
E. C. Bermudes  
A. C. Blaz  
J. M.S. Brown  
E. B. Calvo  
M. G. Camacho  
Mark Forbes  
L. F. Kasperbauer  
A.C. Lamorena, V  
C. A. Leon Guerrero  
J. C. Salas  
S. A. Sanchez, II  
A. R. Unpingco

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GUAM CODE ANNOTATED, RELATIVE TO  
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3                   **"§50103. Formula for Reserve Funds for Income Tax Refunds,**

4           **Earned Income Tax Credits, and Child Tax Credits. Each year, the**



1 Director of Revenue and Taxation, in consultation with the Director of  
2 Administration and the Director of the Bureau of Budget and  
3 Management Research, shall establish a formula for reserving income  
4 tax receipts to pay income tax refunds, earned income tax credits, and  
5 child tax credits. Such formula shall be derived from the statistical  
6 average of income tax refunds, earned income tax credits, and child tax  
7 credits issued in the previous three (3) years, and shall further provide  
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11 **Section 2.** 11 GCA §50104 is amended to read:

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13 **for Income Tax Refunds, Earned Income Tax Credits, and Child**  
14 **Tax Credits.** In accordance with the formula provided for in  
15 §50103 of this Chapter, the Director of Administration shall  
16 deposit in the Fund all money reserved for income tax refunds,  
17 earned income tax credits, and child tax credits from income tax  
18 receipts.”

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21 expenditures from the Fund shall be for the payment of income tax  
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23 other purpose. The fund is not subject to the provisions of §6120,

1 Government Code (Public Law 17-4), which provisions could otherwise  
2 permit *I Maga'lahaen Guahan* to pledge the Fund."

**I MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN**  
**1999 (FIRST) Regular Session**

Date: 3/24/99

**VOTING SHEET**

S Bill No. 164 (OR)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT ROLL CALL
AGUON, Frank B., Jr.					✓
BERMUDES, Eulogio C.					✓
BLAZ, Anthony C.	✓				
BROWN, Joanne M.S.	✓				
CALVO, Eduardo B.	✓				
CAMACHO, Marcel G.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LAMORENA, Alberto C., V	✓				
LEON GUERRERO, Carlotta A.	✓				
MOYLAN, Kaleo Scott	✓				
PANGELINAN, Vicente C.	✓				
SALAS, John C.	✓				
SANCHEZ, Simon A., II	✓				
UNPINGCO, Antonio R.	✓				

TOTAL

13    0    0    2    2

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence



**MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN**  
**TWENTY-FIFTH GUAM LEGISLATURE**  
155 Hesler Street, Hagåtña, Guam 96910

May 17, 1999  
( DATE )

**FILE**

Memorandum

To: Senator KALEO S. MOYLAN

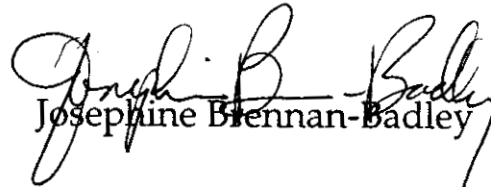
From: Clerk of the Legislature

Subject: Report on Bill No. 164 (COR)

**COPY**

Pursuant to §7.04 of Rule VII of the 25<sup>th</sup> Standing Rules, transmitted herewith is a copy of the Committee Report on Bill No. 164 (COR), for which you are the prime sponsor.

Should you have any questions or need further information, please call the undersigned at 472-3464/5.

  
Josephine Brennan-Badley

Attachment

RECEIVED  
Name: 4:45 Tony R  
Date: 5/17/99



Mina'Bente Sing'ko Na Liheslaturan Guåh  
**SENATOR EDDIE BAZA CALVO**

**CHAIRMAN**

**COMMITTEE ON POWER, PUBLIC WORKS, TAX and REGULATORY REFORM,  
MUNICIPAL and COMMUNITY AFFAIRS**

Office of Senator Eddie Baza Calvo  
120 Father Duques Avenue, Capitol Plaza, Suite 109  
Hagatna, Guam 96910

Tel: (671) 472-4040/4518  
Fax: (671) 472-4100

May 11, 1999

The Honorable Antonio R. Unpingco  
Speaker  
I Mina'Bente Singko Na Liheslaturan Guåhan  
155 Hesler Street  
Hagåtña, Guam 96910

via: Committee on Rules

Dear Mr. Speaker:

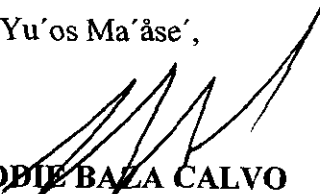
The Committee on Power, Public Works, Tax and Regulatory Reform, Municipal and Community Affairs, to which was referred **BILL NO. 164 (COR)** "AN ACT TO REPEAL AND REENACT SECTION 4108 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO EARNED INCOME TAX CREDIT FOR THE PEOPLE OF GUAM", does hereby report back, with the recommendation **TO DO PASS**.

Votes of the Committee members are as follows:

To Pass	<u>9</u>
Not to Pass	<u>    </u>
Abstain	<u>    </u>
Off-Island	<u>1</u>
Not Available	<u>1</u>

A copy of the Committee Report is attached for your consideration.

Si Yu'os Ma'åse',



**EDDIE BAZA CALVO**  
Chairman


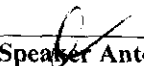
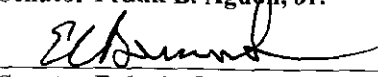
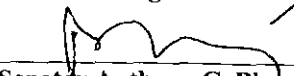
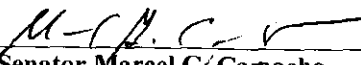

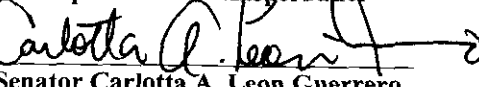

Attachments

**COMMITTEE ON POWER, PUBLIC WORKS,  
TAX AND REGULATORY REFORM,  
MUNICIPAL AND COMMUNITY AFFAIRS**

Mina' Bente Singko Na Liheslaturan Guåhan  
155 Hesler Street, Hagåtña, Guam 96910

**VOTING SHEET:**

**BILL NO. 164 (COR) "AN ACT TO REPEAL AND REENACT SECTION 4108 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO EARNED INCOME TAX CREDIT FOR THE PEOPLE OF GUAM."**

<u>COMMITTEE MEMBERS</u>	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>ABSTAIN</u>	<u>TO PLACE IN INACTIVE FILE</u>
 Senator Eddie Baza Calvo Chairman	✓			
Senator Kaleo S. Moylan Vice-Chairman				
 Speaker Antonio R. Unpingco Ex-Officio Member	✓			
Senator Frank B. Aguon, Jr.				
 Senator Eulogio C. Burmudes	✓			
 Senator Anthony C. Blaz	✓			
 Senator Marcel G. Camacho	✓			
<del>Senator Mark Forbes</del>	<del>✓</del>			
 Vice-Speaker L. F. Kasperbauer	x			
 Senator Carlotta A. Leon Guerrero	✓			
 Senator Simon A. Sanchez, II	✓			

**COMMITTEE ON POWER, PUBLIC WORKS,  
TAX AND REGULATORY REFORM,  
MUNICIPAL AND COMMUNITY AFFAIRS**

Mina' Bente Singko Na Liheslaturan Guåhan  
155 Hesler Street, Hagåtña, Guam 96910

---

**COMMITTEE REPORT**

**ON**

**BILL NO. 164**

**“AN ACT TO REPEAL AND REENACT SECTION 4108 OF  
TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE  
TO EARNED INCOME TAX CREDIT FOR THE PEOPLE OF  
GUAM.”**

**COMMITTEE MEMBERS**

Chairman: Senator Eddie Baza Calvo  
Vice-Chairman: Senator Kaleo S. Moylan  
Ex-Officio Member: Antonio R. Unpingco

Senator Frank B. Aguon, Jr.  
Senator Anthony C. Blaz  
Senator Mark Forbes

Senator Eulogio C. Burmudes  
Senator Marcel G. Camacho  
Vice-Speaker Lawrence F. Kasperbauer

## PREAMBLE

The Committee on Power, Public Works, Tax and Regulatory Reform, Municipal and Community Affairs, upon proper notice, conducted a public hearing at 10:30 a.m. on Monday, April 26, 1999 on Bill No. 164 (cor), AN ACT TO REPEAL AND REENACT SECTION 4108 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO EARNED INCOME TAX CREDIT FOR THE PEOPLE OF GUAM.

The public hearing was called to order by the Chairman, Senator Eddie Baza Calvo. The members who were present were Senator Frank Blas Aguon, jr., Senator Simon A. Sanchez, Senator Eulogio C. Bermudes, Senator Marcel G. Camacho, Senator Carlotta A. Leon Guerrero and Senator Kaleo S. Moylan.

## TESTIMONY

Notices of the public hearing were given to the Director of the Department of Revenue and Taxation, the Director of the Bureau of Budget & Management Research, the Director of the Department of Administration, the President of the Guam Chamber of Commerce and the Mayors of Guam.

In addition, the Committee also conducted a public hearing on Tuesday, May 11, 1999 on Bill No. 59(cor), AN ACT TO REPEAL AND REENACT §42104 OF TITLE 11, GUAM CODE ANNOTATED (GCA) AUTHORIZING AUTHORIZING THE DEPARTMENT OF REVENUE AND TAXATION ON A CONTINUING BASIS TO EXPEND FUNDS IN SUCH AMOUNTS AS ARE NECESSARY TO PAY TAHE GUAM EARNED INCOME TAX CREDIT SUBSIDIES.

The Committee noted that the intent of both Bills 164(cor) and 59(cor) are similar in that it would allow those tax filers on Guam who qualify to benefit from the Earned Income Tax Credit.

The Committee also noted that even though notices were sent out, no one from the Department of Revenue and Taxation showed up for the



public hearing nor submitted written testimony. None of the other agencies notified showed up or presented testimony.

### COMMITTEE FINDINGS

The Committee on Power, Public Works, Tax and Regulatory Reform, Municipal and Community Affairs finds that when the current director of the Department of Revenue and Taxation took office, he arbitrarily made the decision to stop paying Earned Income Tax Credit. The I Liheslaturan Guahan took the initiative to restore the Earned Income Tax Credit for qualified filers despite the lack of cooperation of the Department of Revenue and Taxation. The I Liheslaturan Guahan also feels that since the Income Tax Code of Guam is a mirror of the U.S. Tax Code, the Earned Income Tax Credit should be applied to Guam.

### COMMITTEE RECOMMENDATIONS

The Committee on Power, Public Works, Tax and Regulatory Reform, Municipal and Community Affairs recommends that Bill No. 164(cor), AN ACT TO REPEAL AND REENACT SECTION 4108 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO EARNED INCOME TAX CREDIT BE PASSED BY THE MINA BENTE SINGKO NA LIHESLATURAN GUAHAN

### EXHIBITS

“A” Bill No. 164(cor)

MAR 2 4 1999

**MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN  
1999 (FIRST) Regular Session**

Bill No. 164 (COR)

Introduced by:

K. S. Moylan ✓

V. C. Pangelinan

**AN ACT TO REPEAL AND REENACT SECTION  
4108 OF TITLE 11 OF THE GUAM CODE  
ANNOTATE, RELATIVE TO EARNED INCOME  
TAX CREDIT FOR THE PEOPLE OF GUAM.**

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

Section 1. Section 4108 of Title 11 of the Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

**"Section 4108. Earned Income Tax Credit Applicable to Guam.**

(a) Title 26 U.S.C. Section 32, also known as Section 32 of the Internal Revenue Code, all related federal tax statutes and regulations necessary for the enforcement of the Earned Income Tax Credit which it creates, are hereby made applicable to Guam. The Department of Revenue and Taxation shall make the Earned Income Tax Credit (EIC) available to Guam taxpayers to the full extent permitted by federal law.

(b) The Department of Revenue and Taxation shall certify to the Department of Administration every year the amounts necessary to pay such sums as are required by this statute to be paid to Guam taxpayers.

1           (c) There is hereby appropriated from the General Fund, on a  
2 continuing basis, such funds as are necessary to give this statute its full  
3 force and effect.

4           (d) Each year, the Director of the Department of Revenue and  
5 Taxation, in consultation with the Director of the Department of  
6 Administration and the Director of the Bureau of Budget and  
7 Management Research, shall establish a formula for reserving income  
8 tax receipts within the General Fund in order to accumulate sufficient  
9 cash reserves to fully and promptly pay earned income tax credit."


**MAR 25 1999**

**MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN  
1999 (FIRST) Regular Session**

**Bill No. 164 (COR)**

Introduced by:

K. S. Moylan ✓

V. C. Pangelinan 

---

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5 Taxation, in consultation with the Director of the Department of  
6 Administration and the Director of the Bureau of Budget and  
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