

FIFTH GUAM LEGISLATURE  
1960 (SECOND) Regular Session

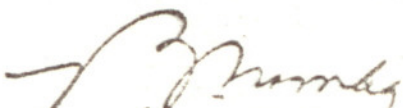
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 280, "An Act to amend the Business Privilege Tax Law with regard to delaying the payment of taxes by providing for the warehousing of alcoholic beverages and tobacco products, to provide a spoilage drawback, to provide a military drawback for tobacco sold to the military establishments on Guam, and for other purposes by amending Subsection 19566.01 and Section 25501, Section 19592 of the Government Code of Guam, and adding new Subsections 19566.0102, 19593.03 and 19592.1, and new Sections 19567, 19568, 19595 and 19596 to the Government Code of Guam", was on the 25th day of February, 1960, duly and regularly passed.



N. U. LEJAN  
Vice-Speaker

ATTESTED:



V. B. BAMBA  
Legislative Secretary

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This Act was received by the Governor this 29<sup>th</sup> day  
of February, 1960 at 1:10 o'clock P. M.



MANUEL F. L. GUERRERO  
Assistant Secretary of Guam

APPROVED:



MARCELLUS GRAEME BOSS  
Acting Governor of Guam

DATED: MAR 15 1960

5:22 p.m.

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AN ACT TO AMEND THE BUSINESS PRIVILEGE TAX LAW WITH REGARD TO DELAYING THE PAYMENT OF TAXES BY PROVIDING FOR THE WAREHOUSING OF ALCOHOLIC BEVERAGES AND TOBACCO PRODUCTS, TO PROVIDE A SPOILAGE DRAWBACK, TO PROVIDE A MILITARY DRAWBACK FOR TOBACCO SOLD TO THE MILITARY ESTABLISHMENTS ON GUAM, AND FOR OTHER PURPOSES BY AMENDING SUBSECTION 19566.01 AND SECTION 25501, SECTION 19592 OF THE GOVERNMENT CODE OF GUAM, AND ADDING NEW SUBSECTIONS 19566.0102, 19593.03 AND 19592.1, AND NEW SECTIONS 19567, 19568, 19595 AND 19596 TO THE GOVERNMENT CODE OF GUAM.

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

2 Section 1. Subsection 19566.01 of Section 19566,  
3 Chapter 6, Title XX, Government Code of Guam, is hereby amended to read  
4 as follows:

5 ".01. Bonding. Any taxpayer against whom taxes are levied  
6 under this Subchapter with respect to alcoholic beverages may,  
7 by complying with the rules and regulations promulgated by the  
8 Tax Commissioner, and by placing such alcoholic beverages in a  
9 warehouse under bond, delay the payment of said taxes until the  
10 due date of the monthly tax return for the month in which the  
11 alcoholic beverages are withdrawn from the warehouse and no  
12 interest shall commence to run thereon until such due date.

13 ".0101. Relief from Tax upon Export. When the taxes levied  
14 under this Subchapter have not been paid with respect to any  
15 alcoholic beverages because said beverages were placed in a  
16 warehouse under bond, the taxpayer may export such beverages  
17 from Guam without payment of the taxes levied under this Sub-  
18 chapter and, subject to the conditions set forth in Subsections  
19 19563.01, 19563.02, and 19563.04, be relieved of liability  
20 therefor upon submission of a claim for relief to the Tax  
21 Commissioner not later than the 20th day of the month following  
22 the month in which the alcoholic beverages are withdrawn from  
23 the warehouse."

24 Section 2. The following new Subsection 19566.0102 of Section



1 19566, Chapter 6, Title XX, Government Code of Guam, is hereby enacted  
2 to read as follows:

3 ".0102. When beverages are placed in a warehouse under  
4 bond in accordance with Subsection 19566.01 and applicable  
5 regulations promulgated by the Tax Commissioner, no person  
6 shall be allowed access to the warehouse except the Tax  
7 Commissioner or his representative, the owner of the warehouse  
8 or his representative, and persons authorized by Section 25501,  
9 Government Code of Guam. All such access shall be in accord  
10 with applicable regulations promulgated by the Tax Commissioner."

11 Section 3. Section 25501, Chapter 6, Title XXVI, Government  
12 Code of Guam, is hereby amended to read as follows:

13 "Section 25501. Inspections. Every member of the Board,  
14 Administrator and every inspector shall have the right at all  
15 times, without notice and without legal process to visit and  
16 have immediate access to every part of the premises of every  
17 licensee for the purpose of making an examination or inspection  
18 of the alcoholic beverages, books and records, the manner of  
19 conducting the business and the premises of the licensee. With  
20 regard to alcoholic beverages placed in a warehouse under bond,  
21 the right to visit and to have access to such warehouse for the  
22 purpose of examination or inspection of alcoholic beverages  
23 shall be exercised in accord with Subsection 19566.0102, Govern-  
24 ment Code of Guam."

25 Section 4. The following new Subsection 19593.03 of Section  
26 19593 of Chapter 6, Title XX, Government Code of Guam, is hereby enacted  
27 to read as follows:

28 ".03. Bonding. Any taxpayer against whom taxes are levied  
29 under this Subchapter with respect to tobacco products, may, by  
30 complying with the rules and regulations promulgated by the Tax  
31 Commissioner, and by placing such tobacco products in a ware-  
32 house under bond, delay the payment of said taxes until the due



1 date of the monthly tax return for the month in which the  
2 tobacco products are withdrawn from the warehouse and no interest  
3 shall commence to run thereon until such due date.

4 .0301. Relief from Tax upon Export. When the taxes levied  
5 under this Subchapter have not been paid with respect to any  
6 tobacco products because said tobacco products were placed in a  
7 warehouse under bond, the taxpayer may export such tobacco  
8 products from Guam without payment of the taxes levied under  
9 this Subchapter and, subject to the conditions set forth in  
10 Subsections 19592.01, 19592.02, and 19592.04, be relieved of  
11 liability therefor upon submission of a claim for relief to the  
12 Tax Commissioner not later than the 20th day of the month  
13 following the month in which the tobacco products are withdrawn  
14 from the warehouse."

15 Section 5. Section 19567 is hereby added to Subchapter C, Chap-  
16 ter 6, Title XX, Government Code of Guam, as follows:

17 "Section 19567. Spoilage Drawback. There shall be allowed  
18 a spoilage drawback of the full amount of the tax paid under this  
19 Subchapter, exclusive of any penalties or interest, upon a  
20 satisfactory showing, under rules and regulations promulgated  
21 by the Tax Commissioner, that:

22 .01. The alcoholic beverage manufactured or produced  
23 in Guam, or imported into Guam, has become incapable of use  
24 as such for human consumption due to spoilage, and has been  
25 destroyed under the supervision of the Tax Commissioner  
26 or his representative;

27 .02. The alcoholic beverage was not the subject  
28 of any prior sales transaction in Guam other than a  
29 transfer involving substantially the entire stock in trade,  
30 good will and franchise or other rights concerning the  
31 alcoholic beverage with respect to which the tax was paid;



1                   .03. The taxes levied under this Subchapter have been  
2 fully paid to the government of Guam;

3                   .04. The applicant is a duly licensed manufacturer  
4 or wholesaler in Guam and is either the taxpayer or a  
5 transferee from or through the taxpayer of substantially the  
6 entire stock in trade, good will and franchise or other  
7 rights concerning the alcoholic beverage with respect to  
8 which the tax was paid;

9                   .05. The applicant is not indemnified by insurance  
10 or otherwise in respect of the tax."

11                   Section 6. Section 19568 is hereby added to Subchapter C,  
12 Chapter 6, Title XX, Government Code of Guam, as follows:

13                   "Section 19568. Spoilage Relief. Where alcoholic beverages  
14 which have been placed in a bonded warehouse without payment of  
15 the taxes levied under this Subchapter, upon a satisfactory  
16 showing, under the rules and regulations promulgated by the Tax  
17 Commissioner, that such alcoholic beverages have become incapable  
18 of use as such for human consumption due to spoilage and have been  
19 destroyed under the supervision of the Tax Commissioner or his  
20 representative, and that the taxpayer is not indemnified by  
21 insurance or otherwise in respect of the tax, the taxpayer  
22 manufacturing, producing or importing such alcoholic beverages  
23 may be relieved of his tax liability with regard to such alcoholic  
24 beverages upon submission of a claim for relief to the Tax  
25 Commissioner not later than the 20th day of the month following  
26 the month in which such alcoholic beverages have been destroyed  
27 under the supervision of the Tax Commissioner."

28                   Section 7. Section 19595 is hereby added to Subchapter F,  
29 Chapter 6, Title XX, Government Code of Guam, as follows:

30                   "Section 19595. Spoilage Drawback. There shall be allowed  
31 a spoilage drawback of the full amount of the tax paid under this  
32 Subchapter, exclusive of any penalties or interest, upon a  
33 satisfactory showing, under the rules and regulations promulgated



1 by the Tax Commissioner, that:

2 .01. The tobacco products manufactured or produced in  
3 Guam, or imported into Guam, have become incapable of use as  
4 such for human consumption due to spoilage, and have been  
5 destroyed under the supervision of the Tax Commissioner or  
6 his representative;

7 .02. The tobacco products were not the subject of any  
8 prior sales transaction in Guam other than a transfer  
9 involving substantially the entire stock in trade, good will  
10 and franchise or other rights concerning the tobacco products  
11 with respect to which the tax was paid;

12 .03. The taxes levied under this Subchapter have been  
13 fully paid to the government of Guam;

14 .04. The applicant is a duly licensed manufacturer,  
15 producer, or wholesaler or retailer in Guam and is either the  
16 taxpayer or a transferee from or through the taxpayer of  
17 substantially the entire stock in trade, good will and  
18 franchise or other rights concerning the tobacco products with  
19 respect to which the tax was paid;

20 .05. The applicant is not indemnified by insurance or  
21 otherwise in respect of the tax."

22 Section 8. Section 19596 is hereby added to Subchapter F,  
23 Chapter 6, Title XX, Government Code of Guam, as follows:

24 "Section 19596. Spoilage Relief. Where tobacco products  
25 which have been placed in a bonded warehouse without payment of the  
26 taxes levied under this Subchapter, upon a satisfactory showing,  
27 under the rules and regulations promulgated by the Tax Commissioner,  
28 that such tobacco products have been incapable of use as such for  
29 human consumption due to spoilage and have been destroyed under the  
30 supervision of the Tax Commissioner or his representative, and that  
31 the taxpayer is not indemnified by insurance or otherwise in  
32 respect of the tax, the taxpayer manufacturing, producing or



1 importing such tobacco products may be relieved of his tax  
2 liability with regard to such tobacco products upon submission  
3 of a claim for relief to the Tax Commissioner not later than the  
4 20th day of the month following the month in which such tobacco  
5 products have been destroyed under the supervision of the Tax  
6 Commissioner or his representative."

7 Section 9. Section 19592 of the Government Code of Guam is  
8 hereby amended to read as follows:

9 "Section 19592. EXPORT DRAWBACK. There shall be allowed to  
10 any applicant therefor an export drawback of the full amount of  
11 a tax paid under this subchapter, exclusive of penalties and  
12 interest, upon fulfillment of the following conditions:

13 .01. That the tobacco manufactured or produced in Guam,  
14 or brought into Guam, has been consigned, and duly delivered,  
15 to a point outside the territory of Guam;

16 .02. That the tobacco so exported was not subject to any  
17 sale within Guam other than a transfer involving substantially  
18 all the stock in trade, good will and franchise or other rights  
19 concerning the tobacco upon which the tax was paid;

20 .03. That the taxes levied hereunder have been fully paid  
21 to the government of Guam; and

22 .04. That the applicant is a duly licensed manufacturer,  
23 producer, wholesaler or retailer in Guam."

24 Section 10. Section 19592.1 is hereby added to the Government  
25 Code of Guam to read as follows:

26 "Section 19592.1 MILITARY SALES DRAWBACK. There shall be  
27 allowed to any applicant therefor a drawback of the full amount  
28 of tax paid under this subchapter upon a satisfactory showing,  
29 within the rules and regulations promulgated by the Tax  
30 Commissioner, that:

31 .01. The tobacco manufactured or produced in Guam, or  
32 brought into the territory of Guam, has been sold, consigned, and



1           duly delivered to, an authorized purchaser for any United States  
2           military establishment in Guam;

3           .02. The tobacco sold, consigned and delivered to such  
4           military establishment was not the subject of any prior sales  
5           transaction in Guam other than a transfer of substantially the  
6           entire stock in trade, good will and franchise or other rights  
7           concerning the tobacco upon which the tax has been paid;

8           .03. The taxes levied under this subchapter have been fully  
9           paid to the government of Guam; and

10          .04. The applicant applying for the drawback is a duly  
11          licensed wholesaler or retailer, in Guam."

12          Section 11. This Act is an urgency measure and shall take effect  
13          on the first day of the first month following approval by the Governor.