FIFTH GUAM LEGISLATURE 1960 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 313, "An Act to repeal Sections 19545 and 19545.1, to add Section 19543.1011, to amend Sections 19541 and 19500.02 of the Government Code of Guam pertaining to gross receipts tax on contractors with the United States Government", was on the 2nd day of August, 1960, duly and regularly passed.

A. B. WON PAT Speaker

ATTESTED:

V. B. BAMBA Legislative Secretary

This Act was received by the Governor this day of ______ , 1960 at _____ o'clock _____ . M.

MANUEL F. L. GUERRERO Assistant Secretary of Guam

APPROVED:

JOSEPH FLORES Governor of Guam

DATED: AUG 25 1960

9:15 a.m.

1960 (SECOND) Regular Session

Bill No. 313
Substitute Bill by Committee
on Finance and Taxation

Introduced by _

F. T. Ramirez

AN ACT TO REPEAL SECTIONS 19545 AND 19545.1. TO ADD SECTION 19543.1011. TO AMEND SECTIONS 19541 AND 19500.02 OF THE GOVERNMENT CODE OF GUAM PERTAINING TO GROSS RECEIPTS TAX ON CONTRACTORS WITH THE UNITED STATES GOVERNMENT.

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

Section 1. Section 19545 and Section 19545.1. Government Code of Guam, are hereby repealed except that such sections continue in effect for the present term of contracts in effect prior to the effective date of this Act.

Section 2. A new Subsection 19543.1011 is hereby added to Section 19543. Government Code of Guam, to read as follows:

".1011. Amount received by a mortgagor having a contract with an eligible bidder and the United States of America pursuant to Title VIII, 'Military Housing Insurance', of the National Housing Act, as amended, (12 U.S.C. Sec. 1748 et seq.)."

Section 3. Subsection 19541.05 of Section 19541. Government Code of Guam, is hereby amended to read as follows:

".05. Tax on Contractors.

- (a) There shall be levied, assessed and collected a tax at the rate of two per cent (2%) measured against the gross income of any contractor.
- (b) The preceding Subsection (a) shall not apply to (1) a contractor having a contract with the United States, contractor being defined as in Section 19500.02, (2) a person who is an eligible builder having a contract with a mortgagor and the United States pursuant to Title VIII, 'Military Housing Insurance', of the National Housing Act, as amended, (12 U.S.C., Sec. 1748 et seq.), (3) a contractor as defined

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in Section 19500.02 having a subcontract under a contract coming under (1) or (2) hereof, and (4) a contractor as defined in Section 19500.02 having a subcontract under a subcontract coming under (3) hereof, with respect to gross income received by such persons from such contracts or subcontracts. and there is hereby levied and imposed on such persons a tax at the rate of one and three-tenths per cent (1.3%) of the gross income of such persons from such contracts or subcontracts. In computing the tax levied under this subsection, a taxpayer may deduct from gross income payments made to another taxpayer as specified in (3) and (4) provided the tax with respect to such payments has been paid by such other taxpayer, or the tax has been withheld by the taxpayer claiming the deduction and paid over to the Government of Guam at the time of filing the return, such withholding being hereby authorized; but any taxpayer claiming a deduction under this paragraph shall be required to show in his return the name of the taxpayer paying the tax on the amount deducted by him or from whom such tax was withheld, and shall issue a receipt for any amount of tax withheld, which upon filing by such other taxpayer with his return, shall relieve such other taxpayer of liability for the amount of tax withheld." Section 4. Subsection (b) of Section 19541.05, Government Code

Section 4. Subsection (b) of Section 19541.05, Government Code of Guam, as enacted by Section 3 of this Act, shall apply only to contracts entered into after the effective date of this Act.