

*I Mina'trentai Sais Na Liheslaturan Guåhan*  
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
72-36 (COR)	James C. Moylan V. Anthony Ada Christopher M. Dueñas	AN ACT TO <i>AMEND</i> § 26203.3 OF CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, AND SECTION 3 OF PUBLIC LAW 35-90, RELATIVE TO REMOVING THE SUNSET PROVISION OF THE LIMITED EXEMPTIONS OF BUSINESS PRIVILEGE TAXES FOR CERTAIN SMALL BUSINESSES.	3/9/21 8:35 a.m.	3/10/21	Committee on General Government Operations, Appropriations, and Housing			Request: 3/10/21  3/19/21	



Vice Speaker

**TINA ROSE MUÑA BARNES**

**CHAIRPERSON, COMMITTEE ON RULES**

*I Mina'trentai Sais Na Liheslaturan Guåhan*

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March 19, 2021

# MEMO

**To:** **Rennae Meno**  
Clerk of the Legislature

**From:** **Vice Speaker Tina Rose Muña Barnes**  
Chairperson, Committee on Rules

**Re:** **Fiscal Notes**

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*Buenas yan Håfa adai.*

Attached, please find the fiscal notes for the following bills:

**Bill No. 70-36 (COR)**  
**Bill No. 72-36 (COR)**  
**Bill No. 74-36 (COR)**  
**Bill No. 75-36 (COR)**

Please forward the same to Management Information Services (MIS) for posting on our website.

If you have any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.



**Bureau of Budget & Management Research**  
**Fiscal Note of Bill No. 72-36 (COR)**

**AN ACT TO AMEND § 26203.3 OF CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, AND SECTION 3 OF PUBLIC LAW 35-90, RELATIVE TO REMOVING THE SUNSET PROVISION OF THE LIMITED EXEMPTIONS OF BUSINESS PRIVILEGE TAXES FOR CERTAIN SMALL BUSINESSES.**

**Department/Agency Appropriation Information**

<b>Dept./Agency Affected:</b> Department of Revenue and Taxation (DRT)	<b>Dept./Agency Head:</b> Dafne Mansapit-Shimizu, Director
<b>Department's General Fund (GF) appropriation(s) to date:</b>	<b>\$8,945,336</b>
<b>Department's Other Fund appropriation(s) to date:</b> Banking and Insurance Enforcement Fund (\$479,765); Better Public Service Fund (\$1,410,919); Tax Collection Enhancement Fund (\$919,948)	<b>\$2,810,632</b>
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$11,755,968</b>

**Fund Source Information of Proposed Appropriation**

	<b>General Fund:</b>	<b>Special Fund:</b>	<b>Total:</b>
<b>FY 2020 Unreserved Fund Balance</b>	\$0	\$0	\$0
<b>FY 2021 Adopted Revenues</b>	\$0	0	0
<b>FY 2021 Appro. (P.L. 35-99)</b>	\$0	0	0
<b>Sub-total:</b>	\$0	0	0
<b>Less appropriation in Bill</b>	\$0	0	0
<b>Total:</b>	\$0	0	0

**Estimated Fiscal Impact of Bill**

	<b>One Full Fiscal Year</b>	<b>For Remainder of FY 2021 (if applicable)</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>General Fund 1/</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Special Fund</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$0	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? / / Yes      /X/ No  
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A      / / Yes      / / No  
If no, what is the additional amount required? \$ /X/ N/A
- Does the Bill establish a new program/agency? / / Yes      /X/ No  
If yes, will the program duplicate existing programs/agencies? /X/ N/A      / / Yes      / / No  
Is there a federal mandate to establish the program/agency? / / Yes      /X/ No
- Will the enactment of this Bill require new physical facilities? / / Yes      /X/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X/ Yes      / / No  
/X/ Requested agency comments not received by due date: DRT / / Other:

Analyst: <u>Raymond Rieta, BMA II</u>	Date: <u>3/18/2021</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <b>MAR 19 2021</b>
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**Notes:**  
1/ See attached Comments.

**Bureau of Budget & Management Research**  
**Comments on Bill No. 72-36 (COR)**

The proposed legislation seeks to increase the gross threshold for “Temporary” Limited Exemptions for Certain Small Businesses on Business Privilege Tax (BPT) remittances above 3% of the business’s gross proceeds from \$250K to \$500K. It further proposes to amend § 26203.3 of Chapter 26, Title 11, Guam Code Annotated and Section 3 of Public Law 35-90 to remove the sunset provision of the temporary limited exemption. It should be noted that this action is in contrast to §26203.2 which currently establishes the Limited Exemption for Certain Small Businesses.

Per the January 2021 Consolidated Revenue and Expenditure Report, BPT collections have experienced an approximate \$19.3M collection shortfall below adopted levels per P.L. 35-99. Absent information from the Department of Revenue and Taxation regarding businesses that collect \$500K in gross income, the Bureau is unable to determine an approximate financial impact at this time. However, the Bureau notes that additional “continuous” exemptions from BPT remittances will exacerbate the shortfall noted above for FY21 and prospectively.