

I Mina'trentai Siette 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
70-37 (COR)	Tina Rose Muña Barnes Joe S. San Agustin Jesse A. Lujan Roy A. B. Quinata William A. Parkinson Dwayne T. D. San Nicolas Therese M. Terlaje Thomas J. Fisher Chris Barnett	AN ACT TO ADD A NEW § 26202.2 TO ARTICLE 2 OF CHAPTER 26 OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO REDUCING THE BUSINESS PRIVILEGE TAX FROM FIVE PERCENT (5%) TO FOUR PERCENT (4%) FOR THOSE ELIGIBLE BUSINESSES WHO PROVIDE HEALTH INSURANCE COVERAGE FOR THEIR EMPLOYEES.	3/1/23 4:44 p.m.						

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUAHAN
2023 (FIRST) REGULAR SESSION

Bill No. 70-37 (COR)

Introduced by:

Tina Rose Muña Barnes
Joe S. San Agustin
Jesse A. Lujan
Roy A. B. Quinata
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Dwayne T. D. San Nicolas
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AN ACT TO *ADD* A NEW § 26202.2 TO ARTICLE 2 OF CHAPTER 26 OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO REDUCING THE BUSINESS PRIVILEGE TAX FROM FIVE PERCENT (5%) TO FOUR PERCENT (4%) FOR THOSE ELIGIBLE BUSINESSES WHO PROVIDE HEALTH INSURANCE COVERAGE FOR THEIR EMPLOYEES.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Short Title. This Act shall be known as the “*Health Insurance Coverage for Businesses Affordability Act of 2023*”.

Section 2. Legislative Findings and Intent. *I Liheslatura* finds approximately 90% of Guam’s 15,000 Business Privilege Tax (BPT) filers report less than \$250,000 in annual revenue. Public Law 35-13 created the Limited Exemption for Certain Small Businesses, reducing the BPT from five percent (5%) to three percent (3%) for eligible tax filers.

1 *I Liheslatura* further finds Public Law 36-81 doubled the maximum annual
2 revenue threshold to \$500,000 benefiting an additional 645 taxpayers.

3 It is the intent of *I Liheslatura* to provide tax relief to the remaining businesses
4 not eligible for the Limited Exemption for Certain Small Businesses by providing a
5 limited authorization to reduce the BPT rates for these tax filers from five percent
6 (5%) to four percent (4%) provided, each filer submits with its monthly tax filings
7 proof of providing health insurance coverage for their employees at a minimum level
8 to be determined by the Department of Revenue and Taxation.

9 **Section 3. A new § 26202.2 is added to Article 2, of Chapter 26 of Title**
10 **11, Guam Code Annotated, to read:**

11 **§ 26202.2 “Health Insurance Coverage for Businesses Affordability**
12 **Act of 2023.”**

13 **(a) Reduction in Business Privilege Tax rate from five percent (5%)**
14 **to four percent (4%), limited authorization.** The Business Privilege Tax
15 rate set forth in Subsections 26202(a), (c), (d), (e), (f), (g), (h), (i), and (j) of
16 this Chapter may be reduced from five percent (5%) to four percent (4%)
17 provided, each taxpayer submits with its monthly tax filings proof of
18 providing health insurance coverage for their employees. The Department of
19 Revenue and Taxation shall determine the form and manner by which each
20 taxpayer is to provide such proof of health insurance coverage as an
21 attachment to its monthly tax filings.

22 **(b) Minimum Level of Health Insurance Coverage Eligible for**
23 **Business Privilege Tax reduction.** Minimum Level of Coverage *shall*
24 include requirements set forth by the Affordable Care Act (U.S. Public Law
25 111-148), or its successor, as applicable to the Territories.

26 For purposes of eligibility for the rate reduction contained in § 26202.2,
27 Minimum Level of Contribution for an employer’s share shall not be below a

1 rate of one-dollar (\$1.00) for each working hour, and “working hour” for each
2 pay period shall be calculated at no less than forty (40) hours per week.

3 The Department of Revenue and Taxation shall determine the level of
4 health insurance coverage and ensure each taxpayer eligible for the rate
5 reduction contained in § 26202.2 meets or exceeds such coverage when
6 submitting its monthly tax filings.

7 A taxpayer who does not meet the minimum level of coverage for any
8 reporting period will be ruled ineligible for rate reduction for that reporting
9 period but may become eligible by meeting or exceeding the minimum level
10 of health insurance coverage for subsequent reporting periods.

11 **Section 4. Effective Date.** This Act shall be effective sixty (60) days after
12 enactment.