

*I Mina Trentai Kuattro Na Liheslaturan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
262-34 (COR)	Michael F.Q. San Nicolas	AN ACT TO REPEAL §§ 1, 3, 4, 16, 17, AND 18 AND TO AMEND §2, ALL OF PUBLIC LAW 34-87, RELATIVE TO REPEALING THE IMPOSITION OF A GENERAL SALES TAX IN GUAM.	3/19/18 8:20 a.m.  AS CORRECTED 3/22/18 2:54 p.m.						

**I MINA'TRENTAI KUÁTTRO NA LIHESLATURAN GUÁHAN  
2018 (SECOND) Regular Session**

**Bill No. 262-34 (COR)**

As Corrected by the Prime Sponsor.

Introduced by:

Michael F.Q. San Nicolas 

**AN ACT TO REPEAL §§ 1, 3, 4, 16, 17, AND 18 AND TO  
AMEND §2, ALL OF PUBLIC LAW 34-87, RELATIVE  
TO REPEALING THE IMPOSITION OF A GENERAL  
SALES TAX IN GUAM.**

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C-2018 MAR 22 PM 2:54

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

2 **Section 1. Repeal of General Sales Tax.** §1 of Public Law 34-87 is  
3 hereby repealed, in its entirety;:

4 ~~“Section 1. A new Article 7 is added to Chapter 26 of Title 11,~~  
5 ~~Guam Code Annotated, to read:~~

6 ~~‘ARTICLE 7~~  
7 ~~GENERAL SALES TAX~~

- 8 ~~§ 26701. Levy.~~
- 9 ~~§ 26702. Definitions.~~
- 10 ~~§ 26703. Administration.~~
- 11 ~~§ 26704. Electronic Filing.~~
- 12 ~~§ 26701. Levy.~~

13 ~~There is hereby levied and shall be assessed and collected a~~  
14 ~~general sales tax on tangible personal property and any service~~  
15 ~~business, excluding banking and lending services, foreign~~  
16 ~~currency services, and insurance services, at the rate of two~~

1 percent (2%). Provided however, that this Section shall not apply  
2 to the purchase of liquid or diesel fuel sold at sales outlets located  
3 in Guam.

4 **§ 26702. Definitions.**

5 (a) ~~Department means the Department of Revenue and~~  
6 ~~Taxation.~~

7 (b) ~~Tangible personal property means any corporeal~~  
8 ~~personal property of any nature.~~

9 (c) ~~General sales tax means a tax assessed on the purchaser~~  
10 ~~of goods and services, purchased on Guam or purchased outside of~~  
11 ~~Guam for delivery to Guam, which are subject to the levy in §~~  
12 ~~26701 of this Article, and the purchaser is not specifically~~  
13 ~~exempted.~~

14 **§ 26703. Administration.**

15 ~~The Department of Revenue and Taxation shall be~~  
16 ~~responsible for the administration of this Article.~~

17 **§ 26704. Electronic Filing.**

18 ~~The Department of Revenue and Taxation shall provide for~~  
19 ~~the electronic filing of monthly returns by taxpayers against whom~~  
20 ~~a tax is levied under the provisions of this Article, commencing~~  
21 ~~with returns submitted after the month of January 2019; provided,~~  
22 ~~however, that such provision shall not prohibit taxpayers under~~  
23 ~~this Article from opting to file non-electronic returns.”~~

24 **Section 2. Repeal of Use and Appropriation of Revenue from**  
25 **General Sales Tax.** §3 of Public Law 34-87 is hereby repealed, in its entirety;:

26 **“Section 3. Use and Appropriation of Revenue.**

1           ~~The increased revenues derived from the general sales tax~~  
2 ~~described in this Act shall be allocated accordingly:~~

3           ~~(a) 0.75% to Guam Memorial Hospital Authority for its purposes,~~  
4 ~~including, but not limited to, capital investment, operational~~  
5 ~~requirements, or reserves;~~

6           ~~(b) 0.25% to the Department of Education for its capital~~  
7 ~~improvement needs; and~~

8           ~~(c) 1.00% to the General Fund of the Government of Guam to~~  
9 ~~address the erosion of the tax base resulting from the passage of Public~~  
10 ~~Law 115-97, the Tax Cuts and Jobs Act of 2017.”~~

11           **Section 3. Repeal of Approval of Voters Not Required for General**  
12 **Sales Tax.** §4 of Public Law 34-87 is hereby repealed, in its entirety;:-

13           ~~“Section 4. Approval of Voters Not Required. Notwithstanding 3~~  
14 ~~GCA §§ 16311 and 16312, the imposition of the general sales tax~~  
15 ~~authorized by this Act shall not be subject to the approval of, or placed~~  
16 ~~before, the voters of Guam.”~~

17           **Section 4. Repeal of SNAP Exemption for General Sales Tax.** §16 of  
18 Public Law 34-87 is hereby repealed, in its entirety;:-

19           ~~“Section 16. SNAP Exemption. The Supplemental Nutrition~~  
20 ~~Assistance Program (SNAP), formerly known as the “Food Stamp~~  
21 ~~Program” is exempt from all general sales tax. Purchases made with~~  
22 ~~SNAP for the purposes of this provision shall refer to purchases of~~  
23 ~~“eligible foods” as defined in 7 CFR § 271.2.”~~

24           **Section 5. Repeal of General Sales Tax Visible as a Receipt Line**  
25 **Item.** § 17 of Public Law 34-87 is hereby repealed, in its entirety;:-

26           ~~“Section 17. General Sales Tax Visible as a Receipt Line Item.~~  
27 ~~For a business responsible for collecting the general sales tax established~~

1 in ~~§ 26701 of Article 7, Chapter 26, Title 11, Guam Code Annotated, at~~  
2 ~~the point of sale the general sales tax shall be illustrated as a receipt line~~  
3 ~~item.”~~

4 **Section 6. Repeal of Effective Date of General Sales Tax.** §18 of  
5 Public Law 34-87 is hereby repealed, in its entirety.

6 ~~“Section 18. Effective Date of General Sales Tax. The general~~  
7 ~~sales tax provisions of this Act shall be effective on October 1, 2018.”~~

8 **Section 7. Monthly Returns for Alcoholic Beverage Tax, Liquid**  
9 **Fuel Tax, Automotive Surcharges and Tobacco Tax.** §2 of Public Law 34-87  
10 is hereby amended to read:

11 **“Section 2. Monthly Returns for Alcoholic Beverage Tax,**  
12 **Liquid Fuel Tax, Automotive Surcharges and Tobacco Tax.** §  
13 26110(a) of Article 1, Chapter 26, Title 11, Guam Code Annotated, is  
14 amended to read as follows:

15 ‘(a) Monthly Returns for Alcoholic Beverage Tax, Liquid  
16 Fuel Tax, Automotive Surcharges and Tobacco Tax, ~~and General~~  
17 ~~Sales Tax.~~ Each taxpayer against whom a tax is levied by the  
18 provisions of Articles 3, 4, 5, and 6, ~~and 7~~ of this Chapter shall  
19 make and file monthly returns of taxes with the Tax Commissioner  
20 on or before the twentieth (20th) day following the close of the  
21 calendar month in which the taxes shall accrue, and in the form and  
22 in accordance with the rules and regulations prescribed by the Tax  
23 Commissioner. Except as may be specifically hereinafter provided,  
24 payment covering the full amount of tax liability as evidenced by  
25 the monthly return *shall* accompany such monthly return.’”