

*I Mina'Trentai Kuáatro Na Liheslaturan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
99-34 (LS)	Dennis G. Rodriguez, Jr. Joe S. San Agustin	ACT TO ADD A NEW § 26202(k) TO TITLE 11, GUAM CODE ANNOTATED, TO PREVENT DOUBLE LEVY OF BUSINESS PRIVILEGE TAX ON PROFESSIONAL SERVICES.	5/23/17 2:21 p.m.						

*I MINA' TRENTAI KUÁTTRO NA LIHESLATURAN GUÅHAN*  
2017 (First) Regular Session

Bill No. 99-34 (LS)

Introduced by:

Dennis G. Rodriguez, Jr. *DR*  
Joe S. San Agustin *JS*

**ACT TO ADD A NEW § 26202(k) TO TITLE 11, GUAM  
CODE ANNOTATED, TO PREVENT DOUBLE LEVY  
OF BUSINESS PRIVILEGE TAX ON PROFESSIONAL  
SERVICES.**

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

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan*

has noted that many professionals hire other professionals in a sub-contractual relationship, resulting in a double taxation on the hiring persons. For example, professionals such as physicians many times incorporate their businesses and one corporation will hire another to perform professional services. When not incorporated, one physician may hire another to perform professional services. The hiring corporation or individual will pay business privilege tax on the entire amount of professional services rendered by the business, and in addition, the hired or subcontracted corporation or individual will pay business privilege taxes on the portion of professional services rendered by the subcontracted corporation or individual, resulting in two taxes paid for the same professional service.

**Section 2. Levy of Tax on the Practice of a Profession.** A new § 26202(k) is added to Article 2, Chapter 26, Title 11, Guam Code Annotated, to read:

**"§ 26202(k). Tax on the Practice of a Profession.** There shall be levied, assessed and collected a tax rate of four percent (4%) measured against the gross income of any person practicing a profession; provided, that there shall be deducted from the gross income of the taxpayer so much thereof as has been included in the gross income earned from another taxpayer who is

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1 practicing a profession as defined in § 26101(l) and who has already paid the  
2 tax levied under this Subsection for the practice of a profession that includes the  
3 deductible gross income of the taxpayer who is a practicing a profession;  
4 provided, that any person claiming a deduction under this Subsection shall be  
5 required to show in the person's return either the name or the tax identification  
6 number of the person practicing a profession who has already paid his or her  
7 portion of the tax."

8 **Section 3. Severability.** *If* any provision of this Act or its application to  
9 any person or circumstance is found to be invalid or contrary to law, such  
10 invalidity *shall not* affect other provisions or applications of this Act that can be  
11 given effect without the invalid provisions or application, and to this end the  
12 provisions of this Act are severable.

13 **Section 4. Effective Date.** This act shall become effective  
14 immediately upon enactment.