

I Mina'trentai Singko 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
348-35 (COR)	William M. Castro	AN ACT TO ADD A NEW § 26202.2 TO ARTICLE 2 OF CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO SUPPORTING COVID-19 PANDEMIC COMPENSATION FOR PRIVATE SECTOR EMPLOYEES, THROUGH A TEMPORARY REDUCTION IN THE BUSINESS PRIVILEGE TAX RATE FROM FIVE PERCENT (5%) TO FOUR PERCENT (4%).	4/23/20 2:16 p.m.						

I MINA'TRENTAI SINKO NA LIHESLATURAN GUÅHAN
2020 (SECOND) Regular Session

Bill No. 348-35 (COR)

Introduced by:

William M. Castro 

AN ACT TO *ADD* A NEW § 26202.2 TO ARTICLE 2 OF CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO SUPPORTING COVID-19 PANDEMIC COMPENSATION FOR PRIVATE SECTOR EMPLOYEES, THROUGH A TEMPORARY REDUCTION IN THE BUSINESS PRIVILEGE TAX RATE FROM FIVE PERCENT (5%) TO FOUR PERCENT (4%).

BE IN ENACTED BY THE PEOPLE OF GUAM

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that *I Maga'håga Guåhan* implemented a COVID-19 Response Differential Pay Policy through Executive Order 2020-08 which was signed on April 5, 2020. The COVID-19 Response Differential Pay Policy applies to Government of Guam employees and authorizes up to twenty five percent (25%) pay differential for essential employees whose work is necessary for government operations and which cannot be performed via telework or otherwise remotely but are required to report for duty.

I Liheslatura recognizes that there are thousands of private sector employees who continue to report for duty at medical clinics, grocery stores, restaurants, fuel stations, property and facilities maintenance, construction and other businesses authorized to remain in operation by Executive Order 2020-05. For employees who continue to show up for work in both the public and private sectors, possible exposure to COVID-19 remains a real and imminent threat to their health and safety.

1 It is, therefore, the intent of *I Liheslatura* to support businesses that invest in
2 their employees during the COVID-19 crisis by implementing differential pay
3 policies and/or additional employee benefits. Accordingly, *I Liheslatura* proposes
4 that businesses will consider applying savings that are realized from a temporary
5 reduction in the BPT rate from five percent (5%) to four percent (4%) toward
6 employee differential pay and/or additional benefits.

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

9 **“§ 26202.2. Temporary Reduction of the Business Privilege Tax.**

10 Notwithstanding any other provision of law, the rate of the Business Privilege
11 Tax set forth in § 26202(a), § 26202(c), § 26202(d), § 26202(e), § 26202(f), §
12 26202(g), § 26202(h), § 26202(i), and § 26202(j) of this Chapter shall be temporarily
13 reduced from five percent (5%) to four percent (4%) effective March 1, 2020 to
14 September 30, 2020. The Business Privilege Tax rate shall automatically revert to
15 five percent (5%) immediately thereafter. The savings realized as a result of this
16 temporary reduction shall be directly applied to employee compensation or benefits
17 including, but not limited to, salaries and wages, and differential pay, such as
18 hazardous or other specialty pay.

19 This provision shall apply only to businesses licensed by the Government of
20 Guam which remained open for service and maintained employees on its payroll
21 during the COVID-19 State of Emergency declaration issued by the Governor of
22 Guam. A licensed business is required to submit verification to the Department of
23 Revenue and Taxation evidencing savings realized from the temporary BPT rate
24 reduction were applied toward COVID-19 differential pay and/or additional
25 employee benefits.”

26 **Section 3. Severability.** If any provision of this Law or its application
27 to any person or circumstance is found to be invalid or contrary to law, such

1 invalidity *shall* not affect other provisions or applications, and to this end the
2 provisions of the law are severable.

3 **Section 4. Effective Date.** This act *shall* be effective upon enactment.