

I MINA' TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session

Bill No. 302-30 (COR)

Introduced by:

E.J.B. Calvo *EJC*

Ray Tenorio *[Signature]*

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Wm

AN ACT TO ALLOW CONTRIBUTORS TO THE CONSTRUCTION, DEVELOPMENT, UPGRADING, REPAIR, AND MAINTENANCE OF ANY PUBLIC SCHOOL FACILITIES TO BE ELIGIBLE FOR TAX CREDITS, BY AMENDING ARTICLE 4 OF CHAPTER 77 OF DIVISION 2 OF TITLE 12, GUAM CODE ANNOTATED.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Amendment. Article 4 of Chapter 77 of Division 2 of Title 12, Guam
3 Code Annotated, hereby is amended to read:

4 "Article 4

5 §77401. Legislative Findings and Intent.

6 §77402. Definitions

7 §77403. Credit Against Business Privilege Tax.

8 ~~§77404. Cap on Gross Receipts Tax Credits for Construction,~~
9 ~~Development, Upgrading, Repair or Maintenance of~~
10 ~~Gymnasiums.~~

11 ~~§77405. Rules and Regulations.~~

12 §77404. Rules and Regulations.

13 ~~§77406. School Operations to Continue.~~

14 §77405. School Operations to Continue.

15 ~~§77407. GEDCA Report.~~

16 §77406. GEDA Report.

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18 §77401. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds
19 that several sports facilities within the Department of Education have fallen into
20 disrepair. Whether the facilities are damaged by natural disaster, old age, or
21 simply due to the lack of maintenance, it is of importance that these facilities are

1 restored to a usable and safe condition in order to ensure that students are
2 provided with a venue to hold their ~~physical education~~ classes, athletic
3 competitions among public and private school students, science fairs, school
4 plays, and dances, among other curricular and extracurricular activities.

5 *I Liheslaturan Guåhan* finds that public schools may also need new
6 structures in light of the current crowding situation and the island's growing
7 population.

8 However, *I Liheslaturan Guahan* also finds that the government of Guam
9 is financially strapped and therefore cannot afford to allocate additional funding
10 for major works that public school ~~sports~~ facilities require.

11 *I Liheslaturan Guåhan* further finds that a portion of the projected growth
12 in government of Guam revenues from the buildup set to begin in 2010 should be
13 invested into the education of our children.

14 Consequently, *I Liheslaturan Guåhan* calls for community involvement in
15 guaranteeing that our students continue to have safe, strong, and reliable learning
16 environments, functional gymnasiums and other sports fields, which can also be
17 used by the public on special events during the weekends, such as the Special
18 Olympics and Relay for Life. In order to provide incentives to those willing to
19 contribute towards the construction, development, upgrading, repair or
20 maintenance of any public school ~~sports~~ facilities, it is the intent of *I Liheslaturan*
21 *Guåhan* to authorize tax credits to any individuals making contributions to public
22 school ~~sports~~ facilities for the above purposes.

23 **§77402. Definitions.** As used in this Article:

24 (a) ~~*Gymnasium* shall mean a public school sports facility, including,~~
25 ~~but *not* limited to, gymnasiums and baseball, soccer and football fields~~
26 ~~constructed, developed, upgraded, repaired, or maintained by an~~
27 ~~individual, corporation, or limited liability company under the provisions~~
28 ~~of this Article. Public school facility shall mean any structure on a Guam~~
29 public school campus, including, but *not* limited to, classrooms, learning
30 centers, restrooms, faculty and administrative offices, cafeterias,
31 gymnasiums, baseball, soccer and football fields, and other property on

1 such campus, where one or more of these structures will be built under the
2 provisions of this Article.

3 **§77403. Credit Against Business Privilege Taxes.** (a) ~~Individuals,~~
4 ~~corporations, or limited liability companies making contributions, as approved by~~
5 ~~the Superintendent of the Department of Education (hereinafter “DOE”), towards~~
6 ~~the construction, development, upgrading, repair or maintenance of any~~
7 ~~gymnasium shall be authorized tax credits against Gross Receipts Taxes. The~~
8 ~~bases for contribution to the project shall be the actual cost of the contribution to~~
9 ~~the project plus the cost of transportation, if any, from the point of origin to its~~
10 ~~destination. Individuals, sole proprietorships, partnerships, corporations, or~~
11 ~~limited liability companies making contributions, as approved by the~~
12 ~~Superintendent of the Department of Education (hereinafter “DOE”), toward the~~
13 ~~construction, development, upgrading, repair or maintenance of any public school~~
14 ~~in need of repair, as determined by the Guam Education Policy Board, shall be~~
15 ~~authorized tax credits against Gross Receipts Taxes. The basis for contribution to~~
16 ~~the project shall be seventy-five percent of the actual cost of the contribution to~~
17 ~~the project plus the cost of transportation, if any, from the point of origin to its~~
18 ~~destination.~~

19 (b) Any unused credits *not* used in the current tax period may be carried
20 over into subsequent tax periods until such credits are exhausted.

21 (c) The total credits allowed under this Article shall *not* exceed the actual
22 dollar amount of the expenditures on cost of the project by the taxpayer.

23 ~~**§77404. Cap on Gross Receipts Tax Credits for Construction,**~~
24 ~~**Development, Upgrading, Repair or Maintenance of Gymnasiums.**~~ The total
25 amount of credits against Gross Receipts Taxes for the construction, development,
26 upgrading, repair or maintenance of gymnasiums as authorized herein shall not
27 exceed One Million Dollars (\$1,000,000.00) for all projects.

28 **§77405. §77404. Rules and Regulations.** The Guam Economic
29 Development and Commerce Authority (GEDCA) shall promulgate rules and
30 regulations necessary to implement this Section, in accordance with the

1 Administrative Adjudication Law, within ~~sixty (60)~~ thirty (30) days upon the
2 enactment of this Article.

3 ~~§77406.~~ **§77405. School Operations to Continue.** Pursuant to §77403(a)
4 of this Article, when approving a project, the Superintendent of the Department of
5 Education must ensure that regular school operations, to the greatest extent
6 possible, are *not* affected by the construction, development, upgrading, repair or
7 maintenance of a gymnasium.

8 ~~§77407.~~ **§77406. GEDCA Report.** GEDCA shall submit a report to *I*
9 *Lihselaturan Guahan* detailing the impact of the program on the Gross Receipts
10 Taxes, its monitoring efforts, and any other information related to the program.
11 The report shall be transmitted to *I Lihselatura* on an annual basis ~~until the One~~
12 ~~Million Dollars (\$1,000,000.00) GRT cap pursuant to §77407 of this Article is~~
13 ~~exhausted.~~”