

Refer to
Legislative Secretary



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

Office of the Speaker
ANTONIO R. UNPINGCO

Date: 8/17/98
Time: 11:15
Rec'd by: Guke
Print Name: Laurie

AUG 14 1998

The Honorable Antonio R. Unpingco
Speaker
Mina'Bente Kuattro na Liheslaturan Guåhan
Twenty-Fourth Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Hagåtña, Guam 96910


OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<u>Prokio</u>
Time	<u>8:45am</u>
Date	<u>8/18/98</u>

Dear Speaker Unpingco:

Enclosed please find Bill No. 510 (COR), "AN ACT TO AMEND §26202(i) ARTICLE 2, CHAPTER 26, DIVISION 2 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE TAXING OF GROSS INCOME RECEIVED AS PREMIUM FOR THE WRITING OF INSURANCE", which I have **signed** into law today as **Public Law No. 24-253**.

This legislation allows an exemption from Gross Receipts Tax for amounts which are received in an insurance business but which are paid to agents as their commissions.

Very truly yours,


Carl T. C. Gutierrez
I Maga'lahaen Guåhan
Governor of Guam

00869

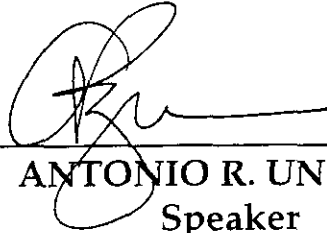
Attachment: copy attached for signed bill
original attached for vetoed bill

cc: The Honorable Joanne M. S. Brown
Legislative Secretary

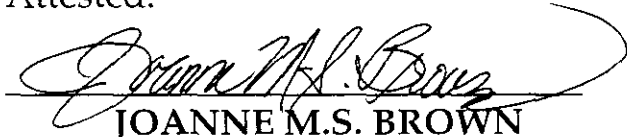
MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN
1998 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN


This is to certify that Bill No. 510 (COR), "AN ACT TO AMEND §26202(i) ARTICLE 2, CHAPTER 26, DIVISION 2 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE TAXING OF GROSS INCOME RECEIVED AS PREMIUM FOR THE WRITING OF INSURANCE," was on the 29th day of July, 1998, duly and regularly passed.


ANTONIO R. UNPINGCO
Speaker

Attested:


JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by *I Maga'lahaen Guahan* this 3rd day of August, 1998,
at 4:55 o'clock P.M.


Assistant Staff Officer
Maga'lahi's Office

APPROVED:


CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: 8-14-98

Public Law No. 24-253

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

2 **Section 1. Legislative Statement.**

It has come to the attention of *I*

3 *Liheslaturan Guahan* that income received as premium for the writing of insurance
4 by persons engaged, or continuing within Guam, in the business of an insurer is
5 being taxed twice, a practice also known as, "double taxation" or "pyramiding."
6 In accordance with Title 11 of the Guam Code Annotated said income is currently
7 taxed at a rate of four percent (4%) as "income received as premium" by an
8 insurer. However, the same taxed income is being taxed a second time as
9 "income received as commission" by agents of the insurer. To rectify this
10 practice *I Liheslaturan Guahan* intends to include "all commissions attributable to
11 the sale and purchase of an insurance policy or policies of the insurer paid by
12 said insurer to agents of the same" as an additional tax deduction for insurers.

13 **Section 2.** Section 26202(i) Article 2, Chapter 26, Division 2 of Title 11 of
14 the Guam Code Annotated is hereby *amended* to read as follows:

15 “(i) Upon every person engaged or continuing within Guam in the
16 business of an insurer, there shall be a tax at the rate of four percent (4%)
17 of gross income received as premium for the writing of insurance, less
18 returned premiums and less all commissions attributable to the sale and
19 purchase of an insurance policy or policies of the insurer paid by said
20 insurer to agents of the same, and four percent (4%) of any other gross
21 income earned or derived on Guam.”



AINA'BENTE KUATTRO NA LIHL ATURAN GUÁHAN
Office of the Vice Speaker
ANTHONY C. BLAZ

May 18, 1998

Chairman,
Finance & Taxation

Chairman,
Ethics & Standards

Vice-Chairman,
Committee on Rules

Member,
Judiciary, Public Safety &
Consumer Protection

Member,
Natural Resources

Member,
Tourism, Economic
Development, & Cultural
Affairs

Member,
Transportation,
Telecommunications &
Micronesian Affairs

Member,
Guam Finance
Commission

Member,
Commission on Self
Determination

The Honorable Speaker Antonio R. Unpingco
24th Guam Legislature
155 Hesler Street
Hagåtña, Guam 96910

Dear Mr. Speaker:

The Committee on Finance and Taxation, to which was referred Bill No. 510 (COR), "AN ACT TO AMEND SUBSECTION (i), §26202, TITLE 11, GUAM CODE ANNOTATED RELATIVE TO TAX OF GROSS INCOME RECEIVED AS PREMIUM AS PREMIUM FOR THE WRITING OF INSURANCE" and herein reports back with the recommendation **TO DO PASS.**

Votes of the committee members are as follows:

10 To Pass

___ Not To Pass

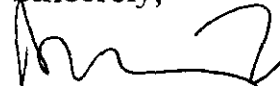
___ To Place in Inactive File

1 Abstained

___ Off-Island

___ Not Available

Sincerely,




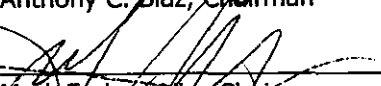

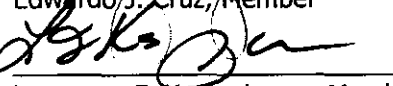

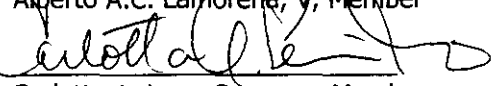
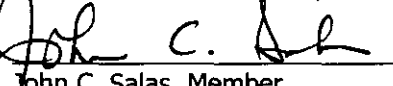
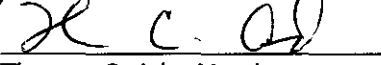
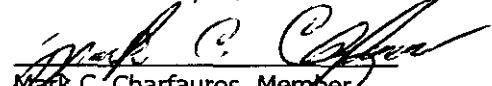
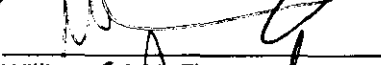

Anthony C. Blaz

attachment

Committee on Finance and Taxation

Voting Sheet on Bill 510

"AN ACT TO AMEND SUBSECTION (i), §26202, TITLE 11, GUAM CODE ANNOTATED RELATIVE TO TAX OF GROSS INCOME RECEIVED AS PREMIUM FOR THE WRITING OF INSURANCE "

COMMITTEE MEMBER	TO PASS	NOT TO PASS	ABSTAIN	INACTIVE FILE
 Anthony C. Blaz, Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Mark Forbes, Vice Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Antonio R. Unpingco, Ex-Officio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joanne M.S. Brown, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Edwardo J. Cruz, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Lawrence F. Kasperbauer, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Alberto A.C. Lamorena, V, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Carlotta A. Leon Guerrero, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 John C. Salas, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Thomas C. Ada, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Mark C. Charfauros, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 William B.S.M. Flores, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
 Francis E. Santos, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Committee on Finance & Taxation
Vice Speaker Anthony C. Blaz, Chairman

Committee Report on
Bill No. 510

"AN ACT TO AMEND SUBSECTION (I), §26202, TITLE 11,
GUAM CODE ANNOTATED RELATIVE TO TAX OF GROSS
INCOME RECEIVED AS PREMIUM FOR THE WRITING OF
INSURANCE"

**Committee on Finance and Taxation
Report on Bill No. 510**

"AN ACT TO AMEND SUBSECTION (i), §26202, TITLE 11, GUAM CODE ANNOTATED RELATIVE TO TAX OF GROSS INCOME RECEIVED AS PREMIUM FOR THE WRITING OF INSURANCE."

PUBLIC NOTICE:

Pursuant to the requirements of Public Law 24-109, notice of the Public Hearing on Bill No. 510 was sent to all media on Monday, April 6, 1998 and a reminder memorandum was sent on Friday April 10, 1998. Additionally, a public hearing notice was published in the Pacific Daily News on Tuesday, April 7, 1998 and on Sunday, April 12, 1998.

PUBLIC HEARING:

The Committee on Finance and Taxation conducted a public hearing on Monday, April 13, 1998 at 10:00 AM in the Vice Speaker's Conference Room to hear testimonies on Bill No. 510.

MEMBERS PRESENT:

The hearing was called to order by the Chairperson of the Committee on Finance and Taxation, Vice Speaker Anthony C. Blaz. Committee members present were:

Speaker Antonio Unpingco
Senator Mark Charfauros
Senator William B.S.M. Flores
Senator Tom Ada

Other Senators present were:

Senator Frank B. Aguon, Jr.

PROVIDING PUBLIC TESTIMONY ON THE BILL:

NONE

BACKGROUND :

There were no testimonies on Bill 510(COR). Viewing the intent of the Bill as simple and straightforward and the impact as nominal yet a justified relief on double taxation, the committee quickly worked through the Bill intending to report it out for debate on the session floor.

FINDINGS:

The intent of the Bill is to rectify a policy of double taxation on income attributable to the sale and purchase of insurance policies. The Bill will allow such income or commissions as an additional tax deduction for insurers. There are approximately 76 of 156 active domestic insurers on Guam dealing with an estimated \$40 million in life and \$200 million in health insurance.

COMMITTEE RECOMMENDATION:

The Committee, having conducted a sufficient hearing, does hereby recommend to the Legislature **to do pass Bill 510(COR)** "AN ACT TO AMEND SUBSECTION (i), §26202, TITLE 11, GUAM CODE ANNOTATED RELATIVE TO TAX OF GROSS INCOME RECEIVED AS PREMIUM FOR THE WRITING OF INSURANCE", simply on its merit.

24th Guam Legislature
Committee on Rules, Government
Reform and Federal Affairs
Senator Mark Forbes, Chairman



FEB 23 1998

MEMORANDUM

TO: Chairman
Committee on Finance and Taxation

FROM: Chairman
Committee on Rules, Government Reform and Federal Affairs

SUBJECT: Referral- Bill No. 510

The above Bill is referred to your Committee as the principal committee. It is recommended you schedule a public hearing at your earliest convenience.

Thank you for your attention to this matter.

MARK FORBES

Attachment



COMMITTEE ON FINANCE & TAXATION

Twenty-Fourth Guam Legislature
Vice Speaker A.C. Blaz, Chairman

Public Hearing

Monday April 13, 1998 10:00 AM

Vice Speaker Anthony C. Blaz, Conference Room, Guam Legislature

AGENDA

- BILL 382 (F. B. AGUON, JR) AN ACT RELATIVE TO THE PROMOTION AND ADVANCEMENT OF GUAM'S COMMUNITY FISHING ACTIVITY THROUGH THE DESIGN AND CONSTRUCTION OF A BOAT LAUNCHING-DOCKING RAMP FOR THE ISLAND RECREATIONAL AND SMALL-SCALE COMMERCIAL FISHERMEN AT THE SITE OF YUG, YONA BRIDGE.
- BILL 442 (FX P. CAMACHO) AN ACT TO AMEND §§4301 (a) AND (c), TO ADD A NEW §4301(g), AND TO REPEAL AND REENACT §4302(c), ALL TO ARTICLE 3, CHAPTER 4 OF TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO REFORMING THE GROUP INSURANCE PROCUREMENT PRACTICES WITHIN THE GOVERNMENT OF GUAM.
- BILL 452 (E.J. CRUZ) AN ACT TO ADD NEW ITEMS (ii), (i), (j) TO §4302 OF ARTICLE 3, CHAPTER 4 OF TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING FOR A TRANSITION PERIOD FOR GOVERNMENT OF GUAM EMPLOYEES AND RETIREES ENROLLED IN A TERMINATED HEALTH INSURANCE PROVIDER.
- BILL 453 (M.C. CHARFAUROS) AN ACT TO REPEAL SECTION 1 OF PUBLIC LAW NO. 21-138 AND P.L. NO. 22-121 RELATIVE TO EXAMINATIONS FOR DRIVER'S LICENSES BE GIVEN IN LANGUAGES OTHER THAN ENGLISH.
- BILL 489 (L.F. KASPERBAUER) AN ACT TO ADD NEW ITEMS (31) AND (32) TO SUBSECTION (k) OF §26203 OF TITLE 11, GUAM CODE ANNOTATED RELATIVE TO EXTENDING THE GROSS RECEIPTS TAX EXEMPTION BENEFITS OF THE DAVE SANTOS SMALL BUSINESS ACT TO SMALL BUSINESSES THAT RECEIVE TAXABLE COMMISSION INCOME AND TO LICENSED INSURANCE COMPANIES WHO RECEIVE INSURANCE PREMIUM INCOME.
- BILL 510 (FX P. CAMACHO) AN ACT TO AMEND SUBSECTION (f), §26202, TITLE 11, GUAM CODE ANNOTATED RELATIVE TO TAX OF GROSS INCOME RECEIVED AS PREMIUM FOR THE WRITING OF INSURANCE.
- BILL 541 (T.C. ADA) AN ACT TO ADD SECTIONS (H) AND (I) TO §4302, ARTICLE 3, CHAPTER 4, GUAM CODE ANNOTATED RELATING TO COVERAGE FOR CHRONIC ORTHOPEDIC DEFORMITIES AND BLOOD AND BLOOD DERIVATIVES.
- BILL 573 (A.C. BLAZ) AN ACT TO APPROPRIATE THE SUM OF THIRTY-FIVE THOUSAND DOLLARS (\$35,000.00) TO THE DEPARTMENT OF PARKS AND RECREATION TO FUND OFF-ISLAND TRAVEL FOR THE GUAM NATIONAL 16 AND UNDER SOCCER TEAM.
- BILL 574 (A.C. BLAZ) AN ACT TO APPROPRIATE ONE HUNDRED SEVENTY-NINE THOUSAND DOLLARS (\$179,000.00) TO THE SCHOOL OF NURSING, UNIVERSITY OF GUAM TO ASSIST AND UPGRADE THE NURSING PROGRAM TO PRODUCE MORE NURSES FOR OUR COMMUNITY.
- BILL 581 (A.C. BLAZ) AN ACT TO APPROPRIATE ONE HUNDRED SEVEN THOUSAND SIX HUNDRED DOLLARS ((\$107,600.00) TO THE GUAM FIRE DEPARTMENT.
- BILL 583 (A.C. BLAZ) AN ACT TO APPROPRIATE SEVENTY-FIVE THOUSAND DOLLARS (\$75,000.00) TO THE GUAM LEGAL SERVICES CORPORATION.
- BILL 589 (A.C. BLAZ) AN ACT TO AMEND CHAPTER 19 OF TITLE 16, GUAM CODE ANNOTATED (GCA) RELATIVE TO MANDATORY AUTOMOBILE LIABILITY INSURANCE.
- BILL 587 (A.C. BLAZ) TO APPROPRIATE THIRTY-FIVE THOUSAND DOLLARS (\$35,000.00) FROM THE GENERAL FUND TO THE GUAM MASTERS BASKETBALL ASSOCIATION (GUMBA).
- BILL 588 (A.C. BLAZ) TO APPROPRIATE FIFTEEN THOUSAND DOLLARS (\$15,000.00) TO THE DEPARTMENT OF PARKS AND RECREATION OFF-ISLAND SPORTS TRAVEL FUND.
- BILL 561 (A.R. UNPINGCO) AN ACT TO APPROPRIATE THE SUM OF ONE MILLION DOLLARS (\$1,000,000.00) TO THE DEPARTMENT OF PUBLIC WORKS FOR THE DESIGN, CONSTRUCTION, AND OUTFITTING OF A GYMNASIUM IN THE VILLAGE OF SANTA RITA.
- BILL 439 (F.B. AGUON) AN ACT RELATIVE TO REQUIRING THE DEPARTMENT OF PUBLIC WORKS TO IMMEDIATELY COMMENCE WORK ON THE REPAIR OF THE ROUTE 4 HIGHWAY FROM YONA TO IPAN, TALOFOFO THROUGH THE USE OF FEDERAL HIGHWAY ADMINISTRATION FUNDS IN AN EFFORT TO ADDRESS THE DILAPIDATED CONDITION OF THE ROADWAY AND TO MINIMIZE THE NUMBER OF ACCIDENTS WHICH OCCUR REGULARLY ON THIS STRETCH OF HIGHWAY.

OVERSIGHT HEARING

Tuesday April 14, 1998 9:00 AM

Vice Speaker Anthony C. Blaz, Conference Room, Guam Legislature

- OVERSIGHT HEARING DEPARTMENT OF PUBLIC WORKS- P.L.24-139 COMPLIANCE AND HIGHWAY IMPROVEMENT PROJECTS INCLUDING ACCESS ROADWAYS.

Committee on Finance and Taxation

Twenty Fourth Guam Legislature
Vice Speaker Anthony C. Blaz, Chairman
Public Hearing, Monday, April 13, 1998



AN ACT TO AMEND SUBSECTION (I), §26202, TITLE 11, GUAM CODE ANNOTATED RELATIVE TO TAX OF GROSS INCOME RECEIVED AS PREMIUM FOR THE WRITING OF INSURANCE.

Bill 510

Fx P. Camacho

Sign-in Sheet

Organization Telephone Number & Fax Number: (please print clearly)	Testimony	Name: (please print clearly)
<input type="checkbox"/> oral	<input type="checkbox"/> oral	
<input type="checkbox"/> written	<input type="checkbox"/> written	
<input type="checkbox"/> Approve	<input type="checkbox"/> Approve	
<input type="checkbox"/> Oppose	<input type="checkbox"/> Oppose	
<input type="checkbox"/> oral	<input type="checkbox"/> oral	
<input type="checkbox"/> written	<input type="checkbox"/> written	
<input type="checkbox"/> Approve	<input type="checkbox"/> Approve	
<input type="checkbox"/> Oppose	<input type="checkbox"/> Oppose	
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