



Office of the Governor of Guam

P.O. Box 2950 Hagåtña, Guam 96932
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Felix Perez Camacho
Governor
Kaleo Scott Moylan
Lieutenant Governor

14 APR 2006

The Honorable Mark Forbes
Speaker
Mina' Bente Ocho Na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 223(EC), "AN ACT TO AMEND § 26202 (e) OF TITLE 11 GUAM CODE ANNOTATED TO CLARIFY LEGISLATIVE INTENT TO PREVENT THE DOUBLE TAXATION OF CONTRACTORS," which I signed into law on April 14, 2006, as Public Law 28-106.

Sinseru yan Magåhet,

[Handwritten signature of Felix P. Camacho]

FELIX P. CAMACHO
I Maga'låhen Guåhan
Governor of Guam

Attachment: copy attached of signed bill

cc: The Honorable Eddie Baza Calvo
Senator and Legislative Secretary

Office of the Speaker

MARK FORBES

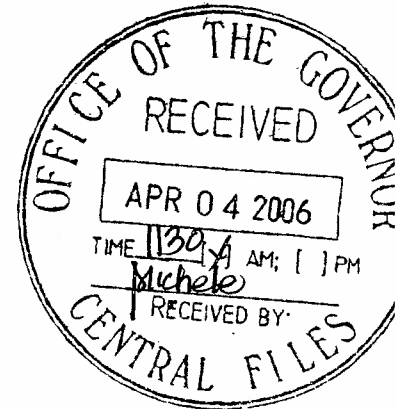
Date: 4/17/06
Time: 11:00 a.m.
Rec'd by: [Signature]
Print Name: K. B.
28-06-0780

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE
ACKNOWLEDGEMENT RECEIPT
Rcv'd by: Nikole
Print Name & Initial
Time: 10:00 Date: 4-26-06



**MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN**  
TWENTY-EIGHTH GUAM LEGISLATURE  
155 Hessler Place, Hagåtña, Guam 96910

March 31, 2006



The Honorable Felix P. Camacho  
*I Maga'lahaen Guåhan*  
*Ufisinan I Maga'lahi*  
*Hagåtña, Guam 96910*

Dear *Maga'lahi* Camacho:

Transmitted herewith are Bill Nos. 152(LS), 192(EC), 208(EC), 223(LS), 253(EC) & 255(LS); and Substitute Bill Nos. 234(LS) & 254(LS) which were passed by *I Mina'Bente Ocho Na Liheslaturan Guåhan* on March 22, 2006; Bill Nos. 219(EC), 245(EC) & 262(EC), and Substitute Bill Nos. 125(EC), 228(EC) which were passed by *I Mina'Bente Ocho Na Liheslaturan Guåhan* on March 24, 2006; and Substitute Bill No. 243(LS) which was passed by *I Mina'Bente Ocho Na Liheslaturan Guåhan* on March 30, 2006.

Sincerely,


EDWARD J.B. CALVO  
Senator and Secretary of the Legislature

Enclosures (14)


I MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN  
2006 (SECOND) Regular Session

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


This is to certify that Bill No. 223 (LS), "AN ACT TO AMEND §26202 (e) OF TITLE 11 GUAM CODE ANNOTATED TO CLARIFY LEGISLATIVE INTENT TO PREVENT THE DOUBLE TAXATION OF CONTRACTORS" was on the 22nd day of March, 2006, duly and regularly passed.

  
Mark Forbes  
Speaker

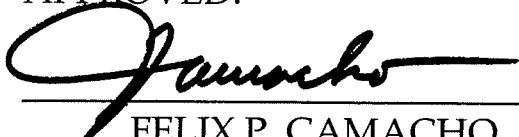
Attested:

  
Edward J.B. Calvo  
Senator and Secretary of the Legislature

-----  
This Act was received by *I Maga'lahaen Guåhan* this 04 day of  
April, 2006, at 1130 o'clock a.M.

  
Assistant Staff Officer  
*Maga'lahaen's Office*

APPROVED:

  
FELIX P. CAMACHO  
*I Maga'lahaen Guåhan*

Date: 14 APRIL 2006

Public Law No. 28-106

**MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN**  
**2005 (FIRST) Regular Session**

**Bill No. 223 (LS)**

As amended by the Committee  
on Finance, Taxation & Commerce,  
and further amended on the Floor.

Introduced by:

A. R. Unpingco  
L. F. Kasperbauer  
Mark Forbes  
F. B. Aguon, Jr.  
J. M.S. Brown  
Edward J.B. Calvo  
B. J.F. Cruz  
Mike Cruz  
R. Klitzkie  
L. A. Leon Guerrero  
J. A. Lujan  
A. B. Palacios  
R. J. Respicio  
Ray Tenorio  
J. T. Won Pat

**AN ACT TO *AMEND* §26202 (e) OF TITLE 11 GUAM  
CODE ANNOTATED TO CLARIFY LEGISLATIVE  
INTENT TO PREVENT THE DOUBLE TAXATION OF  
CONTRACTORS.**

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

2           **Section 1. Legislative Findings and Intent.** In an attempt to prevent  
3 double assessment of the gross receipts tax on projects handled by several  
4 contractors, *I Liheslaturan Guåhan* required that the name of the contractor  
5 requesting a credit provide the name and contractor's license number of the person  
6 paying the tax on the amount deducted by the requesting contractor. *I Liheslatura*

1 finds that the Guam Board of Registration for Professional Engineers, Architects  
2 and Land Surveyors (PEALS Board) issues certificates of registration with a  
3 number to professional engineers, architects and land surveyors. The Guam  
4 Contractors License Board issues licenses to general contractors. *I Liheslatura*  
5 further finds that the Department of Revenue and Taxation has been receiving tax  
6 returns from contractors showing the name and registration numbers of  
7 professional engineers and/or architects and/or land surveyors claiming to have  
8 paid their portion of the gross receipts tax. Public Law 26-149 was intended to  
9 exempt money paid to architects, engineers and land surveyors from multiple  
10 payment of the gross receipts tax, so *I Liheslatura* now adds the PEALS Board  
11 registration number to the reporting requirement for claiming the exemption. This  
12 legislation identifies the contractors who are and should have been entitled to the  
13 exemption under Section 26202(e) and does not intend to create a new class of  
14 exemptions to the gross receipts tax.

15 **Section 2. Amendment to §26202(e).** §26202(e) of Article 2, Chapter 26,  
16 Division 2 of Title 11 Guam Code Annotated is hereby amended to read:

17 **“(e) Tax on Contractors.** There shall be levied, assessed and  
18 collected a tax rate of four percent (4%) measured against the gross income  
19 of any contractor; *provided*, that there shall be deducted from the gross  
20 income of the taxpayer so much thereof as has been included in the measure  
21 of tax levied under this Subsection on another taxpayer who is a contractor,  
22 as defined in §26101(b); *provided*, that any person claiming a deduction  
23 under this Subsection shall be required to show in the person’s return either  
24 the name and contractor’s license number or the registration number for a  
25 professional engineer, architect or land surveyor or the Certificate of  
26 Authorization (COA) number for a business authorized to provide  
27 engineering, architecture or land surveying services by the Guam Board of

1 Registration for Professional Engineers, Architects, Land Surveyors of the  
2 person paying the tax on the amount deducted by the person.”

3 **Section 3. Effective Date.** The effective date of §2 of this Act shall be  
4 September 24, 2002.

5 **Section 4. Tax Adjustment.** The Director of Revenue and Taxation shall  
6 adjust all returns filed by qualified contractors who were denied the deductions  
7 granted in Section 2, supra and issue tax credits to refund overpayments.

# I MINA' BENTE OCHO NA LIHESLATURAN GUAHAN

2006 (SECOND) Regular Session

Date: 3/22/06

## VOTING SHEET

Bill No. 223 (HS)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

*w/o engrossment*

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M.S.	✓				
CALVO, Edward J.B.	✓				
CRUZ, Benjamin J.F.	✓				
CRUZ, Michael (Dr.)	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
KLITZKIE, Robert	✓				
LEON GUERRERO, Lourdes A.	✓				
LUJAN, Jesse A.	✓				
PALACIOS, Adolpho B.	✓				
RESPICIO, Rory J.	✓				
TENORIO, Ray	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL

15    0    0    0    0

CERTIFIED TRUE AND CORRECT:

*Patricia C. Lopez*  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence



MINA BENTE OCHO NA LIHESLATURAN GUÅHAN  
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo  
SECRETARY OF THE LEGISLATURE

Chairman  
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

E-Mail address: [senatorcalvo@hotsheet.com](mailto:senatorcalvo@hotsheet.com)  
155 Hessler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801  
Facsimile: (671) 475-8805

January 03, 2006

The Honorable Mark Forbes  
Speaker  
*Mina Bente Ocho na Liheslaturan Guåhan*  
155 Hessler Street  
Hagåtña, Guam 96910

*Håfa adai*, Mr. Speaker:

The Committee on Finance, Taxation, and Commerce, to which **Bill No. 223 (LS): "An Act To Amend § 26202 (E) Of Title 11 Guam Code Annotated Relative To The Taxing Of Contractors"**, was referred, wishes to report its findings and recommendations TO PASS Bill No. 223 (LS), as amended by the Committee.

The voting record for Bill No. 223 (LS) is as follows:

TO PASS	<u>6</u>
NOT TO PASS	<u>Ø</u>
TO REPORT OUT	<u>Ø</u>
ABSTAIN	<u>Ø</u>
TO PLACE IN INACTIVE FILE	<u>Ø</u>

Copies of the Committee Report and other pertinent documents are attached. Thank you for your attention in this matter. *Si Yu'os Ma'åse!*

Senator Edward J.B. Calvo  
Chairman





MINA BENOCHO NA LIHESLATURAN GUAHAN  
TWENTY-EIGHTH GUAM LEGISLATURE

**Senator Edward J.B. Calvo**  
SECRETARY OF THE LEGISLATURE

Chairman  
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

E-Mail address: [senatorcalvo@hotsheet.com](mailto:senatorcalvo@hotsheet.com)  
155 Hessler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801  
Facsimile: (671) 475-8805

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January 03, 2006

**MEMORANDUM**

To: Committee Members


From: Chairman, Committee on Finance, Taxation, and Commerce

Subject: Committee report on Bill 223 (LS) *as amended by the Committee on Finance, Taxation, and Commerce*

This memorandum is accompanied by the following:

1. Committee voting sheet
2. Public Hearing sign-in sheet
3. Notice of Public Hearing
4. Testimonies submitted


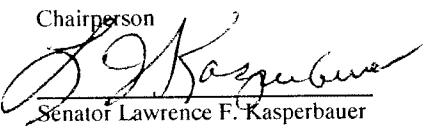
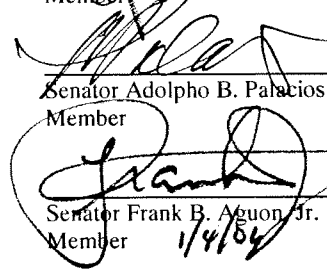
Please take the appropriate action on the attached voting sheet. Your attention and cooperation in this matter is greatly appreciated. Should there be any questions regarding this matter, please feel free to contact my office at 475-8801.



Senator Edward J.B. Calvo  
Chairman

**Committee Voting Sheet**  
**Committee on Finance, Taxation, and Commerce**  
**Office of Finance and Budget**  
*Sinadot Edward J.B. Calvo, Ge'Hilo'*

**Bill No. 223 (LS): "An Act To Amend § 26202 (E) Of Title 11 Guam Code Annotated Relative To The Taxing Of Contractors", as amended by the Committee on Finance, Taxation, and Commerce.**

Committee Members	To Pass	Not to Pass	Report Out	Abstain	Inactive File
 Senator Edward J.B. Calvo Chairperson	✓				
 Senator Lawrence F. Kasperbauer Vice Chairperson	X				
Speaker Mark Forbes Member	✓				
Senator Antonio R. Unpingco Member					
Senator Ray Tenorio Member					
Senator Jesse A. Lujan Member	✓ 1/5/06				
Senator Adolpho B. Palacios Member	✓				
 Senator Frank B. Aguon, Jr. Member 1/4/06	✓				

*2nd*  
1-19-06

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3/22/06  
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*3rd*  
3/22/06

*4*  
3/22/06  
*w/legprommer*

**I MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN  
2005 (FIRST) Regular Session**

**Bill No. 223 (LS)**

**Introduced by:**

As Amended by the Committee  
on Finance Taxation & Commerce

**A.R. Unpingco**

*a. Kaszubew*

*Legislative*

*Am  
FAZ  
R*

*[Handwritten signature]*

**AN ACT TO AMEND §26202 (e) OF TITLE 11 GUAM  
CODE ANNOTATED CLARIFY THE INTENT TO  
PREVENT THE DOUBLE TAXING OF  
CONTRACTORS.**

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

**2 Section 1. Legislative Findings and Intent.** In an attempt to  
**3** prevent double assessment of Gross Receipts Tax on projects handled by  
**4** several contractors, *I Liheslaturan Guåhan* required that the name of the  
**5** contractor requesting the credit provide the name and contractor's license  
**6** number of the person paying the tax on the amount deducted by the  
**7** person. *I Liheslatura* finds that the Guam Board of Registration for  
**8** Professional Engineers, Architects and Land Surveyors (PEALS Board)  
**9** issues Certificates of Registration with a Number to Professional Engineers,  
**10** Architects and Land Surveyors. The Guam Contractors License Board  
**11** issues their Licenses to General Contractors. *I Liheslatura* further finds that  
**12** the Department of Revenue and Taxation has been receiving tax returns  
**13** from contractors showing the name and registration numbers of

**I MINA'BENTE OCHO NA LIHESLATURAN GUÁHAN**

**FLOOR AMENDMENTS/CHANGES**

Bill No. 223

AR4  
**Senator Proposing Amendment**

*(Below for Senator to complete)*

Please describe proposed amendment, including where change to occur:

Add LFK as second co-sponsor;  
to allow legal counsel to make technical  
corrections

*(Below only for Clerk of Legislature's use and processing))*

Date 3/20, 2006

Floor Amendment No. 1 of a total of \_\_\_\_\_ changes on above Bill.

Votes For Amendment: \_\_\_\_\_ Votes Against Amendment: \_\_\_\_\_

**AMENDMENT PASSED:**

Amendment Failed: \_\_\_\_\_

Amendment Withdrawn: \_\_\_\_\_

**APPROVED AS TO FORM PASSED**

[Signature]  
AUTHOR OF AMENDMENT

**Concur (initial)**

[Signature]  
Clerk of Legislature

\_\_\_\_\_  
Speaker

1 Professional Engineers and/or Architects and/or Land Surveyors claiming  
2 to have paid their portion of the Gross Receipts Tax. *I Liheslatura* finds that  
3 Public Law 26-149 was intended to exempt money being paid to architects,  
4 engineers and land surveyors from the multiple payments of Gross receipts  
5 Tax and therefore it now adds the PEALS Board registration number to the  
6 reporting requirement for claiming the exemption. It is the intent of this  
7 legislation to clarify and identify the contractors who are and should have  
8 been entitled to the exemption under Section 26202 (e) and it is not  
9 intended to create a new class of exemptions to the Gross Receipts Tax.

10 **Section 2. Amendment to Section 26202(e).** Section 26202(e) of  
11 Article 2, Chapter 26, Division 2 of Title 11 Guam Code Annotated is  
12 hereby amended to read:

13 **“(e) Tax on Contractors.** There shall be levied, assessed and collected a  
14 tax rate of four per cent (4%) measured against the gross income of any  
15 contractor; *provided*, that there shall be deducted from the gross income of  
16 the taxpayer so much thereof as has been included in the measure of tax  
17 levied under this Subsection on another taxpayer who is a contractor, as  
18 defined in §26101(b); *provided*, that any person claiming a deduction  
19 under this Subsection shall be required to show in the person’s return the  
20 name and contractor’s license number; or the registration number for a  
21 Professional Engineer, Architect or a Professional Land Surveyor or the  
22 Certificate of Authorization (COA) number for a business authorized to  
23 provide engineering, architecture or land surveying by the Guam Board

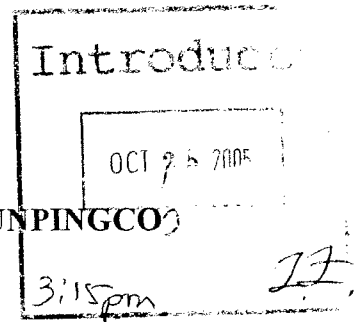
1 of Registration for Professional Engineers, Architects, Land Surveyors of  
2 the person paying the tax on the amount deducted by the person.”

3 **Section 3. Effective Date.** The effective date of § 2 of this Act shall be  
4 September 24, 2002.

5 **Section 4. Tax Adjustment.** The Director of the Department of Revenue  
6 and Taxation shall adjust all returns filed by qualified contractors who  
7 were denied the deductions granted in § 2 Supra and issue Tax Credits to  
8 refund overpayments.

Bill No. 223 (LS) (EC)  
Introduced by:

A.R. UNPINGCO



AN ACT TO AMEND § 26202 (e) OF TITLE 11 GUAM  
CODEANNOTATED RELATIVE TO THE TAXING  
OF CONTRACTORS.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. **Legislative Findings and Intent.** In an attempt to prevent double  
3 assessment of Gross Receipts Tax on projects handled by several contractors, *I*  
4 *Liheslaturan Guåhan* required that the name of the contractor requesting the credit  
5 provide the name and contractor's license number of the person paying the tax on the  
6 amount deducted by the person. *I Liheslatura* finds that the Department of Revenue and  
7 Taxation issues Business License's along with a license number to General Contractors  
8 and Building Material Suppliers but the Professional Engineers, Architects and Land  
9 Surveyors (PEALS) Board issues the License's with a Registration Number. *I*  
10 *Liheslatura* further finds that the Department of Revenue and Taxation has been  
11 receiving tax returns from contractors showing the name and registration numbers of  
12 Professional Engineers and/or Architects and/or Land Surveyors claiming to have paid  
13 their portion of the Gross Receipts Tax. It is the intent of *I Liheslatura* to eliminate this  
14 grey area by further defining the professions to be exempted from this double payment of  
15 Gross Receipts Tax.

16 Section 2. **Amendment to Section 26202 (e).** Section 26202 (e) of Article 2, Chapter  
17 26, Division 2 of Title 11 Guam Code Annotated is hereby amended to read:

18 "(e) **Tax on Contractors.** There shall be levied, assessed and collected a tax rate of  
19 four per cent (4%) measured against the gross income of any contractor; *provided*, that  
20 there shall be deducted from the gross income of the taxpayer so much thereof as has  
21 been included in the measure of tax levied under this Subsection on another taxpayer  
22 who is a contractor, as defined in § 26101 (b); *provided*, that any person claiming a  
23 deduction under this Subsection shall be required to show in the person's return the name  
24 and contractor's license number ; or the registration number for a Professional Engineer  
25 or Registered Architect or a Professional Land Surveyor of the person paying the tax on  
26 the amount deducted by the person."

**Bureau of Budget & Management Research**  
**Fiscal Note of Bill No. 223 (LS)**

Bill Title (Preamble): AN ACT TO AMEND §26202(e) OF TITLE 11 GUAM CODE ANNOTATED RELATIVE TO THE TAXING OF CONTRACTORS.

**Department/Agency Appropriation Information**

Dept./Agency Affected: Department of Revenue and Taxation	Dept./Agency Head: Art Illagan
Department's General Fund (GF) appropriation(s) to date:	\$8,780,112
Department's Other Fund (specify): <u>Safe Street, TAF</u> appropriation(s) to date:	\$81,500
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$8,861,612</b>

**Fund Source Information of Proposed Appropriation**

	General Fund:	Other (specify):	Total:
FY 2006 Adopted Revenues	\$435,092,898	\$0	\$435,092,898
FY Appro. to <u>P.L. 28-68</u>	(\$435,092,898)	\$0	(\$435,092,898)
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Estimated Fiscal Impact of Bill**

	One Full Fiscal Year	For Remainder of Current FY (if applicable)	Second Year	Third Year	Fourth Year	Fifth Year
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Other Fund:	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>1/</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

- Does the bill contain "revenue generating" provisions? / / Yes /x/ No  
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? /x/ N/A / / Yes / / No  
If no, what is the additional amount required? \$ \_\_\_\_\_
- Does the Bill establish a new program/agency? / / Yes /x/ No  
If yes, will the program duplicate existing programs/agencies? / / N/A / / Yes /x/ No  
Is there a federal mandate to establish the program/agency? / / Yes /x/ No
- Will the enactment of this Bill require new physical facilities? / / Yes /x/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /x/ Yes / / No  
/ / Requested agency comments not received by due date / / Other: \_\_\_\_\_

Analyst: M. Quinata Date: \_\_\_\_\_ Director: Carlos F. Bordallo Date: DEC 27 2005

Footnotes: 1/ Bill 223(LS) amends §26202(e) of Article 2, Chapter 2 of Title 11, Guam Code Annotated. The amendment is to clarify who can claim the exemption of the Gross Receipt Tax and what license number is required to be shown on a return. Currently, the bill allows for the name of the person and contractor's license number to be used. However, Bill 223(LS) amends §26202(e) to also include the use of the registration number assigned by the PEALS Board for Professional Engineers, Architects and/or Land Surveyors as identification on a return. The Department of Revenue and Taxation has expressed that this amendment will assist in the process of the returns and to clarify who would be allowed the exemption which will include engineers, architects, and/or land surveyors. Also, due to the fact that income can now be claimed by a contractor as an exemption to GRT tax, this will further erode the GRT revenues of the Government. Loss revenues have not been determined at this time by DRT.

**ACKNOWLEDGEMENT RECEIPT**

Rcv'd by: \_\_\_\_\_

Print Name & Initial

Time: \_\_\_\_\_





MINA BENTUOCHO NA LIHESLATURAN UÅHAN  
TWENTY-EIGHTH GUAM LEGISLATURE

**Senator Edward J.B. Calvo**  
SECRETARY OF THE LEGISLATURE

Chairman  
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

E-Mail address: [senatorcalvo@hotsheet.com](mailto:senatorcalvo@hotsheet.com)  
155 Hessler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801  
Facsimile: (671) 475-8805

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# Committee Report on

*Bill 223 (LS): An Act To Amend § 26202 (E) Of Title 11 Guam Code Annotated Relative To The Taxing Of Contractors, as amended by the Committee on Finance, Taxation, and Commerce.*

*Mina' Bente Ocho Na Liheslaturan Guåhan*

*Committee on Finance, Taxation, and Commerce*

*Sinadot Edward J.B. Calvo, Ge' hilo*

**I. OVERVIEW:**

The Committee on Finance, Taxation, and Commerce held a Public Hearing on Wednesday, November 30, 2005, 1:30 p.m. at *I Liheslaturan Guåhan's* Public Hearing Room on Bill no. 223 (LS), "*An Act To Amend § 26202 (E) Of Title 11 Guam Code Annotated Relative To The Taxing of Contractors*". Notices of this public hearing were disseminated throughout all local media via facsimile and are attached herein.

**a. Senators present:**

Senator Edward J.B. Calvo, Chairman

Senator Lawrence F. Kasperbauer, Vice-Chairman

Senator Antonio R. Unpingco, Member

Senator Adolpho B. Palacios, Member

Senator Robert Klitzkie

**b. Appearing before the Committee:**

Mr. Allen L. Turner, Treasurer, Taniguchi Ruth Makio Architects

Mr. John M. Robertson, Guam Contractors Association/AmOrient

Contracting

Mr. James A. Martinez, Executive Director, Guam Contractors;  
Association

Mr. Paul Terlaje, Department of Revenue and Taxation

Ms. Veronica Quan, Department of Revenue and Taxation

## II. SUMMARY OF VERBAL TESTIMONIES:

Chairman Edward J.B. Calvo acknowledged the presence of Senator Antonio R. Unpingco, author of Bill 223 (LS) and then requested the panel to present their testimony.

Mr. Allen L. Turner supports the passage of Bill 223 (LS) because it will allow a clear and concise implementation of Section 26202(e).

Mr. John M. Robertson, Chairman, Government and Labor Affairs of the Guam Contractors Association testified that Bill 223 (LS) "will have the effect of encouraging contractors to utilize the services of local professional A&E firms as opposed to self performing those services or using off-island A&E firms".

Mr. James A. Martinez reiterated the same testimony he provided for Bill 223 (LS) on June 28, 2002, (*letter attached.*) At that time, Mr. Martinez noted that, "The Guam Contractors' Association fully supports this legislation that would eliminate a GRT pyramiding effect on contractors, subcontractors, suppliers and consultants. Bill 223 (LS) not only benefits our local contractors, but also the island's economy as a whole." This bill became P.L. 26-149. It is a coincidence that the bill introduced in 2002 and the bill introduced in 2005 have the same number.

Mr. Paul Terlaje presented the testimony of Mr. Artemio B. Illagan, Director, Department of Revenue and Taxation. Director Illagan wrote that the current law is 'very confusing not only to the taxpayers but also to the Department of Revenue and Taxation". The Director cautions that this bill would adversely affect government revenues.

There being no further presenters, Chairman Edward J.B. Calvo offered his Committee members the opportunity to ask questions of the panel members.

Sen. Klitzkie inquired if the Director could make a ruling to include the Architects, Engineers, and Land Surveyors thereby dismissing the need for additional legislation. Ms. Veronica Quan of the Department of Revenue and Taxation stated that the Director had sent out a letter on the subject and will provide the Committee with a copy of the letter.*(Letter Attached)*

The discussion then moved to the effective date of the proposed amendment. Sen. Unpingco asked Mr. Terlaje if the department had any preference as to the effective date of the proposed amendment. Mr. Terlaje replied that it would be up to the Legislature to make that decision. Sen. Unpingco then asked Mr. Terlaje if the effective date of the amendment was the same as the effective date of P.L. 26-149, would this present a problem. Mr. Terlaje replied that it may if cash refunds were required, but if tax credits were issued, then it would be more palatable for the department.

### **III. WRITTEN TESTIMONIES:**

The following is a list of individuals who submitted written testimony before the Committee on Finance, Taxation, and Commerce relative to Bill No. 223 (LS) and are attached herein:

1. Michael W. Makio, AIA
2. Mark Ruth, Taniguchi Ruth Makio Architects
3. Elizabeth C. Gayle, P.E., Belt Collins Guam Ltd.
4. John P. Duenas, P.E., Chairman, Engineering Advisory Council of The  
Guam Society of Professional Engineers
5. Duncan G. McCully, McCully & Beggs, P.C.

#### IV. COMMITTEE FINDINGS AND RECOMMENDATIONS:

The Committee on Finance, Taxation, and Commerce finds that the original intent of P.L. 26-149 was to put an end to the pyramiding of Gross Receipts Tax (GRT) within the construction industry on Guam, which was not as inclusive as it was intended. Based on a letter dated June 2, 2005 from Mr. Artemio B. Illagan, Director of Revenue and Taxation to Mr. Terezo Mortera, Registrar, Guam Contractors Licensing Board; Mr. Ilagan made it clear that "The contractor license # that is required on the back of the GRT form is the number given by the Guam Contractor's Licensing Board and no other license number". (Exhibit "A") It is the intent of Bill 223 (LS) to clarify that the Contractor's License Number issued by the Guam Contractors License Board and/or the Registration Number issued by the Professional Engineers, Architects and Land Surveyors Board along with the name of the person paying the tax on the amount deducted by the person shall appear on the back of the GRT form used to file and pay GRT.

The Committee on Finance, Taxation and Commerce to which Bill No. 223 (LS) "*An Act To Amend § 26202 (e) Of Title 11 Guam Code Annotated Relative To The Taxing Of Contractors*", was referred, does hereby submit its findings and

recommendations to *I Mina' Bente Ocho Na Liheslaturan Guåhan* **TO PASS** Bill  
No. 223 (LS) as amended by the Committee.

# Committee on Finance, Taxation, & Commerce

## Office of Finance and Budget

Senator Edward J.B. Calvo, Chairman

### TESTIMONY - SIGN IN SHEET

November 30, 2005 Public Hearing  
9:30 a.m.

- **Bill 223 (EC):** An Act To Amend § 26202 (E) Of Title 11 Guam Code Annotated Relative To The Taxing Of Contractors.

<u>NAME</u>	<u>DEPT./ORGANIZATION</u>	<u>ORAL / WRITTEN</u>	<u>CONTACT NO.</u>
<u>Allen L. Turner</u>	<u>Tanijochi Roth Makio Architects</u>	<u>✓ / ✓</u>	<u>475-8772</u>
<u>Michael Makio</u>	<u>Tanijochi Roth Makio Architects</u>	<u> / ✓</u>	<u>475-8772</u>
<u>MARK ROTH</u>	<u>TRAMA</u>	<u> / ✓</u>	<u>475-8772</u>
<u>Elizabeth Gayle</u>	<u>Belt Collins Guam</u>	<u> / ✓</u>	<u>477-6148</u>
<u>John M. Robertson</u>	<u>Guam Contractors Association Am Orient Contracting</u>	<u>✓ / ✓</u>	<u>472-3302</u>
		<u> /</u>	
		<u> /</u>	
		<u> /</u>	
		<u> /</u>	
		<u> /</u>	
		<u> /</u>	

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Dipattamenton Kontribusion yan Adu'ana

DEPARTMENT

# REVENUE AND TAXATION

GOVERNMENT OF GUAM

Gubetnamenton Guahan

FELIX P. CAMACHO, Governor  
KALEO S. NOYLAN, Lt. Governor

ARTEMIO B. ILAGAN

JOHN P. CAMACHO, Deputy  
Segund

Mr. Terezo Mortera  
Registrar  
Guam Contractors Licensing Board  
542 N. Marine Drive  
Tamuning, Guam 96913

June 2, 2005

Dear Mr. Mortera:

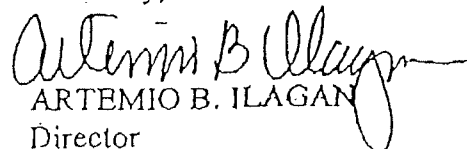
Please advise all licensed contractors that the exemption under Public Law 26-149 which states that:

There shall be levied, assessed and collected a tax rate of four percent (4%) measured against the gross income on any contractor; *provided*, that there shall be deducted from the gross income of the taxpayer so much thereof as has been included in the measure of tax levied under this Subsection on another taxpayer who is a contractor, as defined in § 26101(b); *provided*, that any person claiming a deduction under this Subsection shall be required to show in the person's return the name and contractor's license number of the person paying the tax on the amount deducted by the person.

refers only to contractors licensed by the Guam Contractor's Licensing Board. The contractor license # that is required in the back of the GRT form is the number given by the Guam Contractor's Licensing Board and no other license number. If a contractor would like to take the deduction allowed by PL 26-149, he has to make sure that the sub-contractor is licensed by the Board. Any other license number written in the exemption column will not be accepted and exemption claimed will be disallowed. If the license # column is left blank, the deduction will be disallowed.

The Department of Revenue and Taxation wants to make sure that all contractors are aware of this exemption and that the law is followed as written. We will scrutinize the exemptions claimed to make sure that the license # indicated in the form is a license number issued by the Board. If you have any questions regarding this matter, you can call Veronica Quan at 475-1841 or Janice Benavente at 475-1836.

Sincerely,

  
ARTEMIO B. ILAGAN  
Director

**COPY**





*Dipåtamenton Kontribusion yan Adu'ána*

DEPARTMENT OF

# REVENUE AND TAXATION

GOVERNMENT OF GUAM

*Gubetnamenton Guåhan*

FELIX P. CAMACHO, Governor / *Maga'láhi*  
MALEO S. MOYLAN, Lt. Governor / *Tifente Gubetnadot*

ARTEMIO B. ILAGAN, Director  
Direktot  
John P. CAMACHO., Deputy Director  
Segundo Direktot

November 30, 2005


The Honorable Senator Edward J.B. Calvo  
Chairman  
Committee on Finance, Taxation and Commerce  
Twenty-Eighth Guam Legislature  
Hagatna, Guam 96910

**RE: Bill 223(LS) AN ACT TO AMEND §26202(e) OF TITLE 11  
GUAM CODE ANNOTATED RELATIVE TO THE TAXING OF  
CONTRACTORS**

Bill 223 clarifies section 26202(e) of Article 2, Chapter 26, Division 2 of Title 11 Guam Code Annotated. The previous law attempted to prevent double assessment of Gross Receipts Tax on projects handled by several contractors but it was not clear as to what license number was required in the return. The law as it stands was very confusing not only to the taxpayers but also to the Department of Revenue & Taxation. Bill 223(LS) clearly spells out who can claim the exemption and what license number is required to be shown in the return of the contractor claiming the exemption. This bill clearly states that the person's name and only contractor's license number issued by the Guam Contractors License Board or the Certificate of Registration number issued by the Guam Board of Registration for a Professional Engineer or a Registered Architect or a Professional Land Surveyor can be claimed as an exemption.

Based on figures from Fiscal Year 2003 for 6 architects and 9 engineers that were randomly selected, approximately \$144,000 in GRT tax was reported and paid by architects and \$157,000 in GRT tax was reported and paid by engineers. The passage of this bill would theoretically allow a contractor to exempt \$301,000 (\$144,000 + \$157,000) from GRT by reporting and exempting the service contract amounts provided for by these architects and engineers. The Department of Revenue and Taxation cautions that this bill would adversely affect government revenues.

Sincerely,

  
ARTEMIO B. ILAGAN  
Director

November 30, 2005

Senator Eddie Calvo, Chair  
Committee on Finance, Taxation and Commerce  
28<sup>th</sup> Guam Legislature

Subj: Bill No. 223 (LS)

Dear Senator Calvo and Committee Senators;

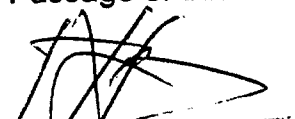
I am writing in support of Bill 223, An Act to Amend Section 26202 (e) of Title 11 GCA Relative to the Taxing of Contractors. Section 26202 (e) was created by Public Law 26-149. The intent of the Guam Legislature, based on public statements made by its sponsors, that in passing 26-149 the cost of construction would be reduced by eliminating the multiple levels of taxation that occur when the same money is subject to gross receipts as it is paid by contractors to sub-contractors and sub-sub-contractors.

Architects and engineers are intrinsic to the construction process and the same pyramiding situation had been occurring when architects retained engineers as sub-consultants. Accordingly, when an architect sub-contracts a portion of his contract to civil, structural, mechanical, electrical and other engineers, these amounts can be exempted as per Public Law 26-149.

Section 1 of Public law 26-149 defines contractor by reference to 11 GCA section 26101 (b). This section defines contractor broadly to include "every person engaged in the business of contracting...to provide under contract any service or material for the erection, construction, repair or improvement of any installation". Clearly architects and engineers when working under contract on the same construction project are providing services for the construction of that improvement. Architects and engineers do not hold licenses issued by the Contractor's Licensing Board, but hold licenses issued by the Professional Engineers, Architects and Land Surveyors Board (PEALS).

The intent of Public Law 26-149 is clear and the purpose of this bill is only to give clear guidance to the Department of Revenue & Taxation that architects and engineers should refer to their PEALS number when deducting payments made to their sub-consultants. This bill does not provide additional GRT reliefs, it simply clarifies that the intent of Public Law 26-149 is that the PEALS number should be used in this case.

Passage of this bill is highly recommended.



H. Mark Ruth, FAIA

PEALS numbers A-73 and COA-047

**Written Testimony:**

Bill 223

An Act to Amend §26202(e) of Title 11 Guam Code Annotated Relative to the Taxing of Contractors

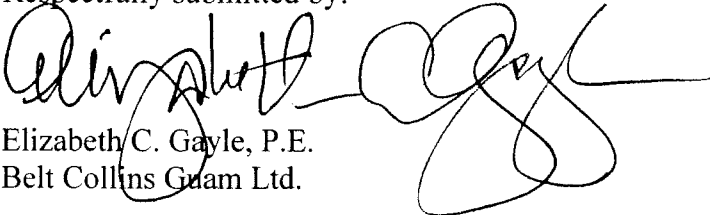
I am a Professional Engineer registered with the Guam Board of Registration for Professional Engineers, Architects and Land Surveyors (PEALS Board). I am also the Responsible Managing Employee (RME) for an engineering firm authorized by the PEALS Board to provide engineering services on Guam. This authorization is known as a Certificate of Authority (COA).  
26101

I am in favor of Bill 223 because it fairly assesses tax to engineers, architects, and land surveyors by making them only responsible for the portion of fees that they keep, specifically if they are then responsible for paying out their subconsultants.

I would recommend, however, that the Bill be amended to allow a business firm's COA number be provided instead of just the professional individual's registration number. I recommend the Bill be amended to say:

- (e) **Tax on Contractors.** There shall be levied, assessed and collected a tax rate of four per cent (4%) measured against the gross income of any contractor; *provided*, that there shall be deducted from the gross income of the taxpayer so much thereof as has been included in the measure of tax levied under this Subsection on another taxpayer who is a contractor, as defined in § 26101 (b); *provided*, that any person claiming a deduction under this Subsection shall be required to show in the person's return the name and contractor's license number; or the registration number for a Professional Engineer, Architect or a Professional Land Surveyor or the Certificate of Authorization (COA) number for a business authorized to provide engineering, architecture or land surveying by the Guam Board of Registration for Professional Engineers, Architects, Land Surveyors of the person paying the tax on the amount deducted by the person.

Respectfully submitted by:

  
Elizabeth C. Gayle, P.E.  
Belt Collins Guam Ltd.

November 22, 2005

Senator Edward J.B. Calvo  
Committee of Finance, Taxation & Commerce  
28<sup>th</sup> Guam Legislature

Subj: Bill No. 223 (LS)

Dear Senator Calvo and the Members of Committee;

I am writing this letter in support of Bill 223, An Act to Amend Section 26202 (e) of Title 11 GCA Relative to the Taxing of Contractors. Section 26202 (e) was created by Public Law 26-149. The intent of the Guam Legislature, based on public statements made by it's sponsors, that in passing 26-149 the cost of construction would be reduced by eliminating the multiple levels of taxation that occur when costs are increased at each level to cover the money paid to sub-contractors.

Architects and engineers are part of the construction process and the same pyramiding situation had been occurring when architects retained engineers as subconsultants. Accordingly, when an architect sub-contracts a portion of his contract to civil, structural, mechanical, electrical and other engineers, these amounts can be exempted as per Public Law 26-149.

I fully support passage of this bill.

  
for: Michael W. Makio, AIA  
Registered Architect #246

**GUAM CONTRACTORS ASSOCIATION  
GOVERNMENT & LABOR AFFAIRS COMMITTEE**

**TESTIMONY ON BILL 223 (LS)  
TAXING OF CONTRACTORS  
30 NOVEMBER 2005**

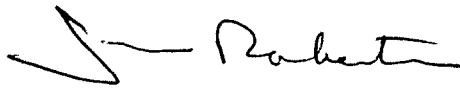
The Guam Contractors Association wishes to express appreciation to Senator Unpingco and other senators for support of Bill 223 which is needed to clarify Section 26202 (e) of Article 2, Chapter 26, Division 2 of TITLE 11 GUAM CODE ANNOTATED RELATIVE TO THE TAXING OF CONTRACTORS.

The law that is referenced in this bill has since passage had the desirable effect of encouraging prime contractors to use local small business subcontractors in the prosecution of contracts by removing the multi-tier taxation that served as a strong disincentive against subcontracting. Contractors are now using small business specialty subcontractors routinely rather than self performing that work. Small business subcontractors are gaining strength as a result and this is good for the contracting business and the Guam economy.

Modification to the law is needed to make clear that architects, engineers and land surveyors are also covered within the meaning of contractor. This will have the effect of encouraging contractors to utilize the services of local professional A&E firms as opposed to self performing those services or using off-island A&E firms. It will also clarify the original intent of the law which was to eliminate the pyramiding taxation effect on construction contracts which includes not only licensed contractors but also Architects, Engineers and Land Surveyors that are licensed by the PEALS Board. They should be included as providing essential services for the erection, construction, repair or improvement of any installation.

Thank you for your favorable consideration of Bill 223.

Senseramente,



John M Robertson, Chairman  
Government and Labor Affairs  
Guam Contractors Association

DEPARTMENT OF  
**REVENUE AND TAXATION**

GOVERNMENT OF GUAM

MONTHLY GROSS RECEIPTS, USE, OCCUPANCY, LIQUID FUEL, AUTOMOTIVE SURCHARGES, TOBACCO AND  
ALCOHOLIC BEVERAGES TAX RETURN

FORM **GRT**

NAME OF LICENSEE	MONTH ENDING	<input type="checkbox"/> ORIGINAL RETURN <input type="checkbox"/> AMENDED RETURN
DOING BUSINESS AS	TYPE OF FIRM <input type="checkbox"/> SOLE PROP. <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION	
ADDRESS	EIN/SSN	ACCOUNT NO.
	METHOD OF REPORTING <input type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL <input type="checkbox"/> OTHER	TELEPHONE NO.

Election under 11 CCA Section 26201(c). (VISIBLE GRT) (If the election is applicable only to specific activities, please attach a list of these activities)

SCHEDULES	BUSINESS ACTIVITY OR KIND OF TAX	(A) GROSS RECEIPT VALUE OR QUANTITY	(B) EXEMPTION OR DEDUCTION	(C) TAXABLE AMOUNT VALUE OR QUANTITY	(D) TAX RATES	(E) TAX DUE
(1) GROSS RECEIPTS TAX	1. WHOLESALING				4%	
	2. RETAILING				4%	
	3. SERVICE				4%	
	4. RENTAL REAL PROP.				4%	
	5. RENTAL OTHERS				4%	
	6. PROFESSION				4%	
	7. COMMISSION				4%	
	8. INSURANCE PREMIUM				4%	
	9. CONTRACTING (LOCAL)				4%	
	10. CONTRACTING (US)				4%	
	11. INTEREST				4%	
	12. AMUSEMENT				4%	
	13. OTHERS				4%	
	14. GRT TOTAL					
(2) USE TAX	15. IMPORTATION				4%	
	16. LOCAL PURCHASES				4%	
	17. INVENTORY USED				4%	
18. USE TAX TOTAL						
(3) OCCUPANCY	19. HOTEL/MOTEL				see item 9 on reverse side 11%	
	20. OTHERS				see item 9 on reverse side 10%	
	21. OCCUPANCY TOTAL					
(4) LIQUID FUEL TAX & AUTOMOTIVE SURCHARGES	22. DIESEL FUEL				\$0.10 @ gal	
	23. SURCHARGE				\$0.04 @ gal	
	24. GASOLINE				\$0.11 @ gal	
	25. SURCHARGE				\$0.04 @ gal	
	26. OTHERS				\$0.11 @ gal	
	27. SURCHARGE				\$0.04 @ gal	
	28. COMMERCIAL AVIATION				\$0.04 @ gal	
	29. L. F. T. & A. S. TOTAL					
(5) TOBACCO TAX	30. CIGARETTES				\$5.00 @ 100	
	31. CIGARS (Mini) Eff. March 24, 2000				\$0.20 @ Cigar	
	32. CIGARS (Standard) Eff. March 24, 2000				\$0.22 @ Cigar	
	33. CIGARS (Large) Eff. March 24, 2000				\$0.25 @ Cigar	
	34. CIGARS (Others) Eff. March 24, 2000				\$0.22 @ Cigar	
	35. CIGARS (Prior to March 24, 2000)				40% of Cost	
	36. OTHERS (Other Tobacco Products)				\$3.50 @ lb.	
	37. TOBACCO TAX TOTAL					
(6) ALCOHOLIC BEVERAGES	38. DISTILLED SPIRIT				\$18.00 @ gal.	
	39. VINOUS BEVERAGES				\$4.95 @ gal.	
	40. MALTED FERMENTED				\$0.07 @ 12 oz	
	41. ALCOHOLIC BEVERAGES TOTAL					

Under the penalties of perjury, I declare that I have examined this return, including accompanying schedule and statements, and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

SIGNATURE (TAXPAYER OR AUTHORIZED AGENT)	DATE
--	------

42. TAX DUE - Column (E), Lines 14, 18, 21, 29, 33 and 37	
43. PENALTY	
44. INTEREST	
45. CREDIT OR ADJ.	
46. BALANCE TAX DUE	

## SCHEDULE OF EXEMPTIONS AND DEDUCTIONS CLAIMED

[Column (B) of Page (1)]

BASIS FOR EXEMPTION	AMOUNT	BASIS FOR EXEMPTION	AMOUNT

### SCHEDULE OF DEDUCTIONS CLAIMED FOR CONTRACTORS [Exemptions allowed under Public Law No. 26-149]

NAME OF CONTRACTOR	CONTRACTOR LICENSE #	AMOUNT	NAME OF CONTRACTOR	CONTRACTOR LICENSE #	AMOUNT

### IMPORTANT INFORMATION AND INSTRUCTIONS

1. **WHO MUST FILE AND WHEN.** (a) **Monthly Returns for Alcoholic Beverage Tax, Liquid Fuel Tax, Automotive Surcharges and Tobacco Tax.** Each taxpayer against whom a tax is levied by the provisions of Articles 3, 4, 5 and 6 of Chapter 26, Title 11, Guam Code Annotated shall make and file monthly returns of taxes with the Tax Commissioner on or before the Twentieth (20<sup>th</sup>) day following the close of the calendar month in which the taxes shall accrue, and in the form and in accordance with the rules and regulations prescribed by the Tax Commissioner. Except as may be specifically hereinafter provided, payment covering the full amount of tax liability as evidenced by the monthly return shall accompany such monthly return. (b) **Monthly Returns for Gross Receipts Tax.** Each taxpayer against whom a tax is levied under the provisions of Article 2 of Chapter 26, Title 11, Guam Code Annotated, whether such taxpayer owes taxes or not, shall make and file monthly returns of taxes with the Tax Commissioner. Gross Receipts Taxpayers shall file monthly Gross Receipts Tax returns summarizing the tax due. The monthly return shall be filed, and any tax then due shall be paid *no later than* the twentieth (20<sup>th</sup>) day of the following month at authorized banks, financial institutions or at designated offices of the government of Guam. (c) **Use Tax Returns.** Each taxpayer against whom a tax is levied by the provisions of Chapter 28, Title 11, Guam Code Annotated shall make and file monthly tax returns with the Tax Commissioner, *no later than* the twentieth (20<sup>th</sup>) day of the following month, summarizing the tax due. The monthly return shall be filed and any tax then due shall be paid *no later than* the twentieth (20<sup>th</sup>) day of the following month. (d) **Monthly Excise Tax on Occupancy of Hotel and Similar Lodging House Facilities.** The tax levied by §30101 of Chapter 30, Title 11, Guam Code Annotated shall be paid to the Commissioner with the monthly return which shall be filed on or before the twentieth (20<sup>th</sup>) day of the month following the month during which such taxable incidents occurred.
2. **EXEMPTIONS OR DEDUCTIONS.** Any exemption or deduction claimed under column (B) page (1) of the return must be shown on the above schedule and must be sufficiently supported by documentation.
3. **ELECTION UNDER 11 GCA § 26201(c) (Visible GRT).** To make an election under 11 GCA § 26201 (c), check or mark the box provided on the front of this form. The election shall take effect at the beginning of the quarter, but not before December 5, 2003. Once you have made this election, it shall remain in effect until you formally terminate it.
4. **BUSINESS ACTIVITIES NOT LISTED ON FORM GRT.** "Other" should be used in reporting amounts received or amounts required to be reported in this form and not listed.
5. **FAILURE TO PAY PENALTY.** Section 26111, Chapter 26, Title 11, Guam Code Annotated, provides for a penalty of five percent (5%) of the tax due for each 30-day period, or fraction thereof, not to exceed twenty-five percent (25%) in the aggregate. The minimum penalty, however, shall be the lesser of the amount of tax due, or twenty-five dollars (\$25.00).
6. **FAILURE TO SUPPLY IDENTIFICATION NUMBER.** Any person required to file a Form GRT return shall be subject to a fifty dollar (\$50.00) penalty for each failure to include his taxpayer identification number on such return. Section 26111, Chapter 26, Title 11, Guam Code Annotated.
7. **INTEREST.** Interest shall be added as determined by the Tax Commissioner at the current rate to any unpaid tax and penalty.
8. **SUPPLEMENTARY SHEETS.** Use supplementary sheets (standard letter size) where necessary.
9. **OCCUPANCY TAX.** Transient occupants of a room or rooms in a hotel, lodging house, or similar facility located in Guam are subject to the following excise tax: (a) from September 1, 1993 through March 31, 1995, the rate shall be ten percent (10%) of the rental price charged or paid per occupancy per day; (b) from April 1, 1995 and thereafter the rate shall be eleven percent (11%) of the rental price charged or paid per occupancy per day. If the room or rooms are rented more than once within a twenty-four (24) hour period, each time of occupancy shall be subject to the tax for such accommodations. 11 GCA §30101.
10. **ADDITIONAL INFORMATION.** For additional information, call the Business Privilege Tax Branch at 475-1834/1836, or write to the Department of Revenue and Taxation, BPTB, P.O. Box 23607, G.M.F., 96921.

**MAKE CHECKS PAYABLE TO: TREASURER OF GUAM.**



## Guam Contractors' Association

June 28, 2002

The Honorable Senator Kaleo S. Moylan  
Chairman, Committee on Ways & Means  
26<sup>th</sup> Guam Legislature

RE: GCA Support of Bill 223

Dear Senator Moylan:

Thank you for giving our organization the opportunity to voice our support of Bill 223. Since it's incorporation in November of 1959, the Guam Contractors' Association has witnessed firsthand the ill effects of the pyramiding GRT within the construction industry here on Guam. One of the most notable effects that have negatively impacted our economy is the higher cost of doing business on Guam. Ultimately, this prevents any stimulation for growth within our industry and these added costs are eventually passed on to the end user making it virtually impossible for the average wage earner to afford quality housing. It also affects potential investors to the island because of the high costs associated with constructing new commercial buildings and tourist attractions.

The Guam Contractors' Association fully supports this legislation that would eliminate a GRT pyramiding effect on contractors, subcontractors, suppliers and consultants. Bill 223 not only benefits our local contractors, but also the island's economy as a whole. Passage of this bill will have long-term positive effects in our economy by 1.) Stimulating growth within our construction industry through the increased need for specialty subcontractors, suppliers and other small business entities 2.) Improving the quality of construction as prime contractors subcontract more work to specialty contractors 3.) Enabling local construction firms to be more competitive in the bidding process against off-island companies ensuring revenues remain on Guam. 4.) Reducing cost to purchase supplies locally and 5.) Eliminating the need to vertically integrate operations to avoid double taxation.

While opponents of Bill 223 will argue that the Government of Guam will lose tax revenues, they fail to see the successes of the wholesale industry and how it has grown since their exemption status from the GRT. The tax revenues realized today through the growth and expansion of the wholesale industry, not to mention the increase in jobs for our local residents is a perfect example of how reducing taxes can increase future revenues through growth and expansion. In these tough economic times, we need legislation that could jumpstart this economy. By eliminating the pyramiding GRT in the construction industry, construction costs are reduced thus spurring more economic activity and stimulating growth in this business sector that ultimately translates to more tax dollars for the Government of Guam. Bill 223 is just such legislation and we submit this written testimony in full support of its passage.

Once again, thank you for the opportunity to submit our testimony in support of Bill 223. I am confident that your committee will give due diligence in putting Bill 223 for vote on the legislative floor.

Sincerely,

James A. Martinez  
Executive Director

*A Proud Member of*





November 30, 2005

Honorable Edward Calvo  
Committee of Finance, Taxation & Commerce  
28<sup>th</sup> Guam Legislature

Subject Bill 223 (LS)

Dear Honorable Senator Calvo and Honorable Committee Members

On behalf of Taniguchi Ruth Makio Architects I would like to express our full support of Bill 233, An Act to Amend Section 26202 (e) of Title 11 Guam Code Annotated Division 2 Chapter 26. Public Law 26-149 created Section 26202 "Tax on Contractors". Title 11 Guam Code Annotated Division 2 Chapter 26 Section 26101(b) clearly defines a contractor as "...every person engaging in the business of contracting..... or to provide under contract any service or material for the erection, construction, repair or improvement of any installation...".

Section 26202(e) requires the tax payer to show in the tax payers return the name and contractor's license number of the person paying the tax on the amount being deducted by the tax payer. Since the taxpayer taking the credit allowed by Section 26202(e) is required to show the contractor's license number and architects and engineers licenses to do business on Guam are issued by the PEALS Board, confusion on the implementation of Section 26202(e) has arisen.

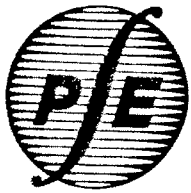
Architects and engineers are essential to the construction process and the pyramiding effect has been occurring when an architect or engineer hires another architect or engineer as a subcontractor (consultant) on a project, which provides services for the erection, construction, repair or improvement any installation. The passage of Bill 223 will allow clear and concise implementation of Section 26202e. Furthermore the passage of Bill 223 will not result in additional tax relief, it will only clarify the original intent of Public Law 26-149.

We recommend that Bill 223 be processed into law.

Sincerely



Allen L. Turner, Treasurer  
COA 47



# THE GUAM SOCIETY OF PROFESSIONAL ENGINEERS

## *Engineering Advisory Council*

*As members of the public with specific knowledge and expertise in the engineering and construction fields, GSPE has an obligation to the people of Guam to be proactively involved in public policy in a Fair, Objective, Un-Biased, and Technically Competent manner. That is the role seen lacking in the work of public policy to date. The formation of the Engineering Advisory Council is intended to fill that role. The Council will provide a unified voice as a profession, on the many crucial issues which face our Island.*

November 30, 2005

Subject: **Position Statement on Bill No. 223 "AN ACT TO AMEND SECTION 26202 (e) OF TITLE 11 GCA ANNOTATED RELATIVE TO THE TAXING OF CONTRACTORS,"**

### Introduction

The Engineering Advisory Council (EAC) became aware of Bill 223 shortly after introduction and, upon review, is compelled to take a position as it affects the engineering profession, the construction industry and the cost of construction of both private development and public facilities on Guam.

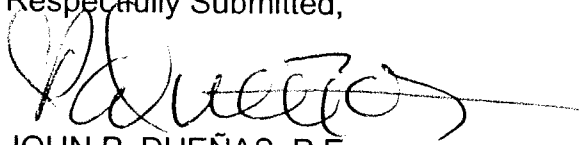
### Facts and Analysis

1. The cost of design and construction of public and private projects often include the services of second and third tier Guam-licensed architectural, engineering, and/or land surveying subcontractors. The double and sometimes triple assessment of Gross Receipts Taxes can significantly and unnecessarily increase the cost of such projects.
2. The increases in the cost of the design and construction of public facilities and private development projects due to the double and sometimes triple assessments of Gross Receipt Taxes on necessary professional architectural, engineering and/or surveying subcontract services reduces the financial resources available for actual development of such projects.
3. In the case of public projects, the double and sometimes triple assessment of Gross Receipts Taxes is akin to the Government feeding on itself resulting in a reduction of available funds for the design and construction of vital public facilities.

Position Statement:

The Engineering Advisory Council supports the passage of Bill 223 into law. The bill will clarify and confirm that Guam-licensed Architects, Engineers and Land Surveyors are included under the tax credit provisions of Section 26202 (e) of Title 11 Guam GCA.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'John P. Dueñas', with a long horizontal flourish extending to the right.

JOHN P. DUEÑAS, P.E.  
Chairman

**McCULLY & BEGGS, P.C.**  
ATTORNEYS AT LAW

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DUNCAN G. McCULLY  
MARK S. BEGGS

SUITE 200, 139 MURRAY BOULEVARD  
HAGÁTÑA, GUAM 96910

November 30, 2005

**VIA FACSIMILE: (671) 472-3400**  
**& HAND DELIVERY**

**SENATOR ANTONIO R. UNPINGCO**

Chairman  
Committee on Tourism, Maritime,  
Military & Veterans Affairs  
The 28<sup>th</sup> Guam Legislature

**Re: Bill No. 223/Clarification of Exemption on**  
**Gross Receipts Tax for Contractors**  
**MB File No. 3038-10**

Dear Senator Unpingco:

As we discussed, I have been assisting several architects and engineers with issues related to Public Law 26-149 which became effective on September 27, 2002. I write in support of Bill 223, but request that it be amended.

As you know, the purpose of P.L. 26-149 was to reduce the cost of construction by eliminating multiple taxation on the same money as it was paid to contractors, by them to subcontractors and by them to sub-subcontractors. Although Section 1 of P.L. 26-149 defined contractors broadly to include every person who provides a service for the construction of an "installation" (by reference to 11 GCA §26101(b)), the Department of Revenue & Taxation arbitrarily interrupted the law to only apply to contractors licensed by the Guam Contractor's Licensing Board.

Clearly, the Department of Revenue & Taxation's narrow construction of P.L. 26-149 has been incorrect. Architects and engineers unquestionably provide a service for the construction of an installation. It is insignificant that the Guam Board of Registration of Professional Engineer's, Architects and Land Surveyors (PEALS Board) has chosen to issue

Sen. Antonio R. Unpingco  
November 30, 2005  
Page 2 of 2

"registration numbers" instead of "license numbers", as is done by the Guam Contractor's License Board. The purpose of the requirement that the person claiming the deduction identify the "contractor's license number of the person paying the tax on the amount deducted" set forth in Section 1 of P.L. 26-149 is to alert Revenue & Taxation of the identity of the person who will pay the tax on the deducted income. That purpose is fulfilled by using the PEALS Board registration number of an architect and engineer.

Since the purpose of your new Bill 223 is to eliminate any ambiguity and to cause the Department of Revenue & Taxation to enforce P.L. 26-149 as it was intended, I recommended that Bill 223 be changed in two respects. My concern is that the Department of Revenue & Taxation will argue that until the effective date of the amendment its construction of P.L. 26-149 was correct and that the public law did not include architects and engineers until it was amended. I therefore recommend the following changes:

The last sentence of Section 1 "Legislative Findings and Intent" should be eliminated and be replaced with the following:

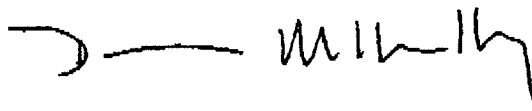
*I Liheslature finds that Public Law 26-149 was intended to exempt money being paid to architects, engineers and land surveyors from the multiple payment of Gross Receipts Tax and therefore it now adds the PEALS Board registration number to the reporting requirement for claiming the exemption.*

I further recommend that a new Section 3 be added to Bill 223 to read as follows:

**Effective Date.** The effective date of this Public Law shall be September 24, 2002.

Thank you for addressing this important issue and eliminating the existing misconstruction of Public Law 26-149.

Sincerely,



Duncan G. McCully

December 16, 2005

Honorable Edward Calvo, Chairman  
Committee of Finance, Taxation & Commerce  
28<sup>th</sup> Guam Legislature

Subject: Bill 223 (LS)

Dear Honorable Edward Calvo,

We take strong exception to the information that Revenue and Taxation presented during the Public Hearing. Section 26101b and 26202 clearly defines what firms are allowed to apply Section 26202 in their GRT filings. Furthermore, we disagree with Revenue and Taxation's testimony that "*this bill would adversely affect government revenues*". There are fourteen architectural firms and 39 engineering and land-surveying firms registered with the PEALS Board to do business on Guam. By taking the data presented by Revenue and Taxation and applying it to the registered firms we have determined that the impact would be approximately \$361,103. Not the \$6,000,000 tossed around at the hearing.

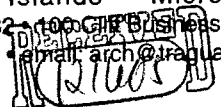
After the Public Hearing on Bill 223 (LS), we did our own research on the information presented by Revenue and Taxation and how the proper implementation of (Public Law 26-149) Title 11 Guam Code Annotated Division 2 Chapter 26 section 26202 (Tax On Contractors) may impact government revenues. First of all, we do not understand why Revenue and Taxation stated in their testimony (see attached) "*The law as it stands was very confusing.....but also to the Department of Revenue and Taxation*". Section 26101b clearly defines the term contractor as follows:

*(b) Contractor shall include every person engaging in the business of contracting to erect, construct, repair or improve any installation of any kind or description, or to provide under contract any service or material for the erection, construction, repair or improvement of any installation, or to provide under contract, labor to another for any purpose or use whatsoever, which shall not include the personal services contract of an individual.*

After many discussions with Revenue and Taxation it is quite obvious that they have not read the Guam Code definition of contractor. In fact in their testimony they stated "*...only contractor's license number issued by the Guam Contractors License Board...*". Please note that we have been unable to find any reference to the Guam Contractor's License Board in either Section 26101b or 26202.

The last paragraph of Revenue and Taxation's written testimony is also misleading. In their testimony they stated, "*.... allow a contractor to exempt*

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\$301,000 (144,000 + \$157,000) from GRT...". During the hearing they threw out a number of approximately 200 registered architects engineers and land surveyors. Implying that 200 architects, engineers and land surveyors would be allowed to implement Section 26202. Although, there may be 200 registered architects, engineers and land surveyors, the majority of the registered architects and engineer practicing design of construction projects on Guam are working for locally registered architectural or engineering firms.

There were 14 architectural firms and 39 land surveying and engineering firms registered to do business on Guam as of December 31, 2004 (See Guam PEALS Board Web Site ([www.guam-peals.org/roster.htm](http://www.guam-peals.org/roster.htm))). Many of these firms are small and do limited business on Guam. For your reference we are attaching a listing of registered (Certificate of Authorization) architectural, engineering and land surveying firms as of December 31, 2004.

The last statement in revenue and Taxation's written testimony states ".....*The Department of Revenue and Taxation cautions that this bill would adversely affect government revenues.*". During the public hearing it was estimated that the impact to government revenues could be \$6,000,000 per year. Since Section 26202 already includes architects, engineers and land surveyor firms there is no real impact. Due to the confusion that Revenue and Taxation created by their recent interpretation of allowing only contractor's with a license issued by the Guam Contractors Licensing Board to claim the GRT exemption some architectural, engineering and/or surveying firms have been deprived of their right to the exemption as provide in Section 26202.

For arguments sake we performed a conservative (high side dollar amount) analysis of revenues that registered architectural, engineering and land surveying firms are already authorized to exclude from their GRT filings for sample Fiscal Year 2003 in accordance with Section 26202.

The following assumptions are used in the following analysis:

- In accordance with Revenue and Taxation, architects and engineers reported GRT tax amounts for Government of Guam Fiscal Year 2003 is correct
  - 6 surveyed architectural firms paid a total of approximately \$144,000 in GRT
  - 9 engineering firms paid a total of approximately \$157,000 in GRT
- Taniguchi Ruth Makio Architects (TRMA) is one of the largest architectural firms on island and does a fair share of design build work and hiring of sub-contractors (consultants) in the process of doing business. Thus, by using Taniguchi Ruth Makio Architects as the benchmark for architectural firms in this analysis the results will be on the high side.
  - TRMA performs approximately 24% of their gross revenues working directly under a contractor licensed by the Guam Contractors Licensing Board

**TRMA** 

Taniguchi Ruth Makio Architects

- TRMA expends approximately 40% of their gross revenues hiring subcontractors
- After contacting several engineering firms it was determined that
  - Engineer and land surveying firms performed approximately 10% of their gross revenues working directly under a contractor licensed by the Guam Contractors Licensing Board
  - Engineer and land surveying firms expended approximately 10% of their gross revenues hiring subcontractors

Based on the above information and extrapolated data provided by Revenue and Taxation we have estimated that in the year of 2003 approximately \$351,103 of GRT credit (see attached spread sheet) was allowed in accordance with Section 26202.

Although Section 26202 along with Section 26101(b) clearly identifies who is allowed to utilize the exemption, Bill 223 (LS) clarifies to Revenue and Taxation giving them a clear direction on the intent of Section 26202 (Public Law 26-149) and the tools they apparently need in the appropriate implementation the Law.

We appreciate the time and effort that you have expended on this issue and look forward to your support in the passage of Bill 223 (LS).

If you have any questions, comments and/or concerns, please do not hesitate to contact me.

Sincerely



Allen L. Turner, Treasurer  
Taniguchi Ruth and Associates, COA 47  
DBA Taniguchi Ruth Makio Architects

Cc: Speaker Mark Forbes  
Senator Larry Kasperbauer, PH.D.  
Senator Antonio Unpingco  
Senator Ray Tenorio  
Senator Adolph Palacios, Sr.  
Senator Jesse Lujan  
Senator Frank Aguon

Attachments:

Revenue and Taxation Written Testimony (1 Page)  
Schedule of Registered (COA issued) Architectural, Engineering and Land  
Surveying Firms (as of December 31, 2004) (1 Page)

**TRMA** 

Taniguchi Ruth Makio Architects





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DEPARTMENT OF

REVENUE AND TAXATION

GOVERNMENT OF GUAM

Gubetnamenton Guahan

FELIX P. CAMACHO, Governor / Maga'lahi  
KALEO S. MOYLAN, Lt. Governor / Titienia Gubetnador

ARTEMIO B. ILAGAN, Director  
Direktor  
John P. CAMACHO, Deputy Director  
Segundo Direktor

November 30, 2005

RECEIVED  
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The Honorable Senator Edward J.B. Calvo  
Chairman  
Committee on Finance, Taxation and Commerce  
Twenty-Eighth Guam Legislature  
Hagatna, Guam 96910

TANIGUCHI RUTH  
AR HITECTS

RE: BILL 223(LS) AN ACT TO AMEND §26202(e) OF TITLE 11  
GUAM CODE ANNOTATED RELATIVE TO THE TAXING OF  
CONTRACTORS

Bill 223 clarifies section 26202(e) of Article 2, Chapter 26, Division 2 of Title 11  
Guam Code Annotated. The previous law attempted to prevent double assessment  
of Gross Receipts Tax on projects handled by several contractors but it was not clear  
as to what license number was required in the return. The law as it stands was very  
confusing not only to the taxpayers but also to the Department of Revenue & Taxation.  
Bill 223(LS) clearly spells out who can claim the exemption and what license number is  
required to be shown in the return of the contractor claiming the exemption. This bill  
clearly states that the person's name and only contractor's license number issued by the  
Guam Contractors License Board or the Certificate of Registration number issued by the  
Guam Board of Registration for a Professional Engineer or a Registered Architect or a  
Professional Land Surveyor can be claimed as an exemption.

Based on figures from Fiscal Year 2003 for 6 architects and 9 engineers that were  
randomly selected, approximately \$144,000 in GRT tax was reported and paid by  
architects and \$157,000 in GRT tax was reported and paid by engineers. The passage  
of this bill would theoretically allow a contractor to exempt \$301,000 (\$144,000 +  
\$157,000) from GRT by reporting and exempting the service contract amounts provided  
for by these architects and engineers. The Department of Revenue and Taxation  
cautions that this bill would adversely affect government revenues.

Sincerely,

*Artemio B. Ilagan*  
ARTEMIO B. ILAGAN  
Director

## ROSTER OF CURRENT/ACTIVE BUSINESS FIRMS

Business firms who were in good standing with the Board and have renewed registration as of December 31, 2004. All registrations are good until September 30, 2005 and must be renewed on or before this date

Certificate Of Authorization	Business Name	Architecture	Civil Engineering	Structural Engineering	Mechanical Engineering	Electrical Engineering	Land Survey	Construction Management
1 056	Albert H. Tsutsui, AIA, Inc.	X						X
2 215	Architects Laguana & Cristobal, LLC	X						X
3 193	ARI Partners	X						
4 168	Belt Collins Guam, Ltd.	X	X					X
5 034	E.M. Chen & Associates, Inc.	X	X	X				X
6 129	J.B.Jones Architects AIA, Inc.	X						
7 221	Juan C. Tenorio, P.C.	X						X
8 064	Leo A. Daly Company	X						
9 207	O.A. Coloma, P.C.	X						
10 188	Provido Tan Architects, Inc.	X						
11 111	RIM Architects (Guam), Inc.	X						
12 206	Setiadi Architects, LLC	X						
13 047	Taniguchi-Ruth + Associates	X						X
14 106	Von Watson Architects	X						
15 150	Belanger & Associates		X					X
16 216	C.T. Chien & Associates		X	X				
17 225	Coeval Design Partners		X					X
18 213	Cruz Survey Services						X	
19 096	Duenas & Associates, Inc.		X	X	X		X	X
20 149	E and A Engineers		X	X				X
21 172	E.R. Ilaio & Associates, Inc.					X		
22 202	Earth Tech, Inc.		X		X			
23 158	EMC2 Electrical DbA: EMCE					X		X
24 159	EMC2 Mechanical, Inc.				X			
25 108	Engineering Management & Planning		X	X				X
26 195	Engineering Partners, Inc.					X		X
27 174	Engineering Resources Int'l					X		
28 017	Geo-Engineering & Testing, Inc.		X					
29 102	GK2		X	X				X
30 231	GMP Associates, Inc.		X					X
31 226	GMP Guam		X	X	X			X
32 083	Group Engineering, Inc.				X			X
33 116	HCH Consulting Engineers, Inc.		X					X
34 173	J.M. Aquino, P.C.		X	X				X
35 227	Jess T. Lizama & Associates, Inc.		X					X
36 204	KW Engineering, P.C.		X					
37 232	L.C. Dizon Engineering, Inc.		X					X
38 181	Masoud Teimoury, P.E.		X					X
39 126	Meliton S. Santos & Associates, Inc.		X				X	
40 205	MS Engineering		X					X
41 164	N.C. Macario & Associates, Inc.		X	X				X
42 228	Otte Consulting		X					
43 063	Pacific Island Engineers, Inc.		X			X		X
44 052	Pacific Soils Engineering & Testing		X					
45 109	PMP Engineering				X			
46 143	Prudencio R. Balagtas & Associates, Inc.						X	
47 230	R.B. Cortez Engineering		X					X
48 220	Serisola and Associates, Inc.		X				X	X
49 224	TG Engineers, P.C.		X					X
50 203	W.B. Flores & Company		X					X
51 180	Winzler & Kelly Consulting Engineers		X	X	X	X		X
52 222	Wixon & Associates, LLC					X		
53 197	WM Engineering Services, LLC				X			X

## Senator Unpingco

---

**From:** Allen Turner [ATurner@traguam.com]  
**Sent:** Friday, December 16, 2005 4:40 PM  
**To:** info@tonyunpingco.com  
**Subject:** Bill 233

*AL*  
*See me*  
*6*



Rev & Tax  
stimony 33Nov05.pc

Honorable Senator Unpingco,

We would like to take this opportunity to thank you for sponsoring Bill 233.

We take strong exception to the information that Revenue and Taxation presented during the Public Hearing. Section 26101b and 26202 clearly defines what firms are allowed to apply Section 26202 in their GRT filings. Furthermore, we disagree with Revenue and Taxation's testimony that "this bill would adversely affect government revenues". There are fourteen architectural firms and 39 engineering and land-surveying firms registered with the PEALS Board to do business on Guam. By taking the data presented by Revenue and Taxation and applying it to the registered firms we have determined that the impact would be approximately \$361,103. Not the \$6,000,000 tossed around at the hearing.

We delivered (16 December 2005) to your office a letter detailing our research and findings (see attached). Once you have had the opportunity to read and absorb the information presented in our letter, we would be honored to meet with you to answer any questions that you have on this issue.

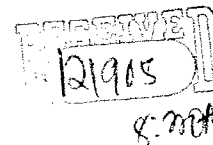
As Section 26202 is currently written, architects and engineers already meet the definition of "contractor" when performing services that result in the construction of a facility. Thus, architects and engineers qualify to apply Section 26202, as it is currently written, when preparing their GRT reports and filings. Bill 223 clarifies to Revenue and Taxation giving them a clear direction on the intent of Section 26202 and the tools they apparently need in the appropriate implementation of the current law.

We appreciate the time and effort that you have expended on this issue and look forward to your support in the passage of Bill 233.

If you have any questions, comments and/or concerns, please do not hesitate to contact me.

Regards,

Allen L. Turner  
Taniguchi Ruth Makio Architects  
P.O. Box EA  
Hagatna, Guam 96932  
Phone: (671) 475-8772  
FAX: (671) 472-3381  
e-mail: aturner@traguam.com



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**MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN**  
TWENTY-EIGHTH GUAM LEGISLATURE  
**Senator Edward J. B. Calvo**  
SECRETARY OF THE LEGISLATURE  
Chairman  
COMMITTEE ON FINANCE, TAXATION & COMMERCE  
OFFICE OF FINANCE AND BUDGET

E-Mail address: [senecalvo@ecomm.gum](mailto:senecalvo@ecomm.gum) Telephone: (671) 475-8801  
155 Hesler Street Hagåtña, Guam 96910 Facsimile: (671) 475-8805

November 23, 2005

The Honorable Antonio R. Unpingco  
Senator and Chairman  
Committee on Tourism, Maritime,  
Military, and Veterans Affairs  
*Mina' Bente Ocho' na Liheslaturan Guåhan*  
155 Hesler Street  
Hagåtña, Guam 96910

Reference: Public Hearing for Bill No. 223 (EC) <sup>LS</sup>

*Håfa adai*, Senator Unpingco:

Please be advised that the Committee on Finance, Taxation, and Commerce has scheduled a public hearing on Wednesday, November 30, 2005, 9:30 a.m., at *Liheslaturan Guåhan's* Public Hearing Room. The *Committee* will receive written and verbal testimonies from the Public on the measure referenced above, which you have authored.

Should you have any questions regarding this matter, please feel free to contact my office at 475-8801. I look forward to your attendance and participation.

*Si Yu'os Ma'åse'!*

Senator Edward J. B. Calvo

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- HR: Host receive
- WS: Waiting send
- PL: Polled local
- PR: Polled remote
- MS: Mailbox save
- MP: Mailbox print
- CP: Completed
- FA: Fail
- TU: Terminated by user
- TS: Terminated by system
- RP: Report
- G3: Group 3
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MINA BENTE OCHO NA LIHESLATURAN GUÅHAN  
 TWENTY-EIGHTH GUAM LEGISLATURE

**Senator Edward J.B. Calvo**  
 SECRETARY OF THE LEGISLATURE

Chairman  
 COMMITTEE ON FINANCE, TAXATION & COMMERCE  
 OFFICE OF FINANCE AND BUDGET

E-Mail address: [ecalvo@econun.com](mailto:ecalvo@econun.com)  
 155 Hesler Street Hagåtña, Guam 96910  
 November 25, 2005

Telephone: (671) 475-8801  
 Facsimile: (671) 475-8805

The Honorable Felix P. Camacho  
 Moga'ñhen Guåhan  
 P.O. Box 2950  
 Hagåtña, Guam 96932

Håfa adai, Governor Camacho:

The Committee on Finance, Taxation, and Commerce has scheduled a public hearing on Wednesday, November 30, 2005, 9:30 a.m. at 1 Liheslaturan Guåhan's Public Hearing Room in Hagåtña. The Committee will receive written and verbal testimonies from the public regarding the following measures:

**Bill 121 (EC):** An Act To Repeal And Re-Enact Chapter 6 Of Title 11 Guam Code Annotated, Relative To The Licensing Requirements For The Retail And Wholesale Of Tobacco Products; To Add A New Article 6 To Chapter 6 Of Title 11 Guam Code Annotated, To Restrict Importation Of Tobacco Products To Manufacturer's Representatives; And To Amend Section 26601(C) Of Chapter 26 Of Title 11, Guam Code Annotated, Relative To The Tobacco Tax.

**Bill 156 (EC):** An Act To Amend Subsections (a) And (b) Of §30101, Division 2, Chapter 30 Of Title 11, And Subsection (a) Of §77114, Division 2, Chapter 77 Of Title 21, Guam Code Annotated, Relative To Restoring The Hotel Occupancy Tax From Eleven To Thirteen Percent.

**Bill 196 (EC):** An Act To Direct The "Windfall" Gross Receipts Tax Collections From All Liquid Fuel Products For Fiscal Year 2005 Be Utilized To Reduce Or Eliminate That Portion Of The Government's Debt To The Government Of Guam Retirement Fund That Prevents Eligible Employees From Retiring.

**Bill 200 (LS):** An Act To Appropriate The Sum Of One Million Four Hundred Sixty Thousand Dollars (\$1,460,000.00) To The Government Of Guam Retirement Fund For Outstanding Retirement Contributions Owed By The Guam Memorial Hospital Authority.

**Bill 201 (EC):** An Act To Authorize A Loan Of Up To \$15 Million For Payments For Medicare For Current Retirees In Order To Secure Their Eligibility For Part A And Part B Coverage And To Pledge For Repayment Of The Loan, The Fees For Wholesalers License, Retailers License, Manufacturers License, And Temporary Commercial Licenses As Authorized By §72107 §72108, §72110, And §72111 Respectively Of Chapter 72 Of 11GCA And Service Licenses As Authorized In §76101 Of Chapter 76 Of 11GCA.

**Bill 223 (EC):** An Act To Amend § 26202 (E) Of Title 11 Guam Code Annotated Relative To The Taxing Of Contractors.

Copies of the aforementioned bills may be obtained at 1 Liheslaturan Guåhan's website, [http://guamlegislature.com/28th\\_Guam\\_Legislature/Bills-Introduced-28th.htm](http://guamlegislature.com/28th_Guam_Legislature/Bills-Introduced-28th.htm) The Committee encourages verbal testimony, however, written testimony is preferred and should be submitted to my office by 12 noon the day prior to the public hearing. I solicit any comments from any entity within the Executive Branch affected by the measures mentioned above. Please make the appropriate arrangements with your cabinet. Should you be unable to attend, please contact my office at 475-8801 as soon as possible. *Si Yu'os Ma'åse'!*

Senator Edward J.B. Calvo

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**MINA BENTE OCHO NA LIHESLATURAN GUÅHAN**  
 TWENTY-EIGHTH GUAM LEGISLATURE  
**Senator Edward J. B. Calvo**  
 SECRETARY OF THE LEGISLATURE  
 Chairman  
 COMMITTEE ON FINANCE, TAXATION & COMMERCE  
 OFFICE OF FINANCE AND BUDGET

E-Mail address: [senecalvo@ecommm.com](mailto:senecalvo@ecommm.com)  
 155 Healer Street Hagåtña, Guam 96910  
 November 25, 2005

Telephone: (671) 475-8801  
 Facsimile: (671) 475-8805

Mr. Carlos Bordallo  
 Director, Bureau of Budget Management and Research  
 P.O. Box 2950  
 Hagåtña, Guam 96932

*Håfa adai*, Mr. Bordallo:

The Committee on Finance, Taxation, and Commerce has scheduled a public hearing on Wednesday, November 30, 2005, 9:30 a.m. at 1 Liheslaturan Guåhan's Public Hearing Room in Hagåtña. The Committee will receive written and verbal testimonies from the Public regarding the following measures:

**Bill 121 (EC):** An Act To Repeal And Re-Enact Chapter 6 Of Title 11 Guam Code Annotated, Relative To The Licensing Requirements For The Retail And Wholesale Of Tobacco Products; To Add A New Article 6 To Chapter 6 Of Title 11 Guam Code Annotated, To Restrict Importation Of Tobacco Products To Manufacturer's Representatives; And To Amend Section 26601(C) Of Chapter 26 Of Title 11, Guam Code Annotated, Relative To The Tobacco Tax.

**Bill 156 (EC):** An Act To Amend Subsections (a) And (b) Of §30101, Division 2, Chapter 30 Of Title 11, And Subsection (a) Of §77114, Division 2, Chapter 77 Of Title 21, Guam Code Annotated, Relative To Restoring The Hotel Occupancy Tax From Eleven To Thirteen Percent.

**Bill 196 (EC):** An Act To Direct The "Windfall" Gross Receipts Tax Collections From All Liquid Fuel Products For Fiscal Year 2005 Be Utilized To Reduce Or Eliminate That Portion Of The Government's Debt To The Government Of Guam Retirement Fund That Prevents Eligible Employees From Retiring.

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Senator Edward J. B. Calvo

Total Pages Scanned : 1

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001	936	671	02:20:33 p.m. 11-25-2005	00:00:20	1/1	1	EC	HS	CP28800

**Abbreviations:**

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HR: Host receive	PR: Polled remote	CP: Completed	TS: Terminated by system
WS: Waiting send	MS: Mailbox save	FA: Fail	G3: Group 3
			EC: Error Correct

# Transmission Report

Date/Time: 11-25-2005 02:23:02 p.m. Transmit Header Text  
 Local ID 1: 671 475 8805 Local Name 1: SENATOR E CALVO  
 Local ID 2: Local Name 2:

This document : Confirmed  
 (reduced sample and details below)  
 Document size : 8.5"x11"



MINA BENTE OCHO NA LIHESLATURAN GUÅHAN  
 TWENTY-EIGHTH GUAM LEGISLATURE

**Senator Edward J.B. Calvo**  
 SECRETARY OF THE LEGISLATURE

Chairman  
 COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

E-Mail address: [sencalvo@ccomm.gu](mailto:sencalvo@ccomm.gu)  
 155 Hesler Street Hagåtña, Guam 96910  
 November 25, 2005

Telephone: (671) 475-8801  
 Facsimile: (671) 475-8805

Mr. Artemio Illagan  
 Director  
 Department of Revenue and Taxation  
 13-1 Mariner Drive  
 Tiyan, Guam 96913

*Håfa adai, Mr. Illagan:*

The Committee on Finance, Taxation, and Commerce has scheduled a public hearing on Wednesday, November 30, 2005, 9:30 a.m. at *Liheslaturan Guåhan's* Public Hearing Room in *Hagåtña*. The *Committee* will receive written and verbal testimonies from the Public regarding the following measures:

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Senator Edward J.B. Calvo

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No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	937	+16714722643	02:20:53 p.m. 11-25-2005	00:00:41	1/1	1	EC	HS	CP14400

**Abbreviations:**

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HR: Host receive	PR: Polled remote	CP: Completed	TS: Terminated by system
WS: Waiting send	MS: Mailbox save	FA: Fail	RP: Report
			G3: Group 3
			EC: Error Correct

# Transmission Report

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 Local ID 2: Local Name 2:

This document : Confirmed  
 (reduced sample and details below)  
 Document size : 8.5"x11"



**MINA BENTE OCHO NA LIHESLATURAN GUÅHAN**  
 TWENTY-EIGHTH GUAM LEGISLATURE  
**Senator Edward J.B. Calvo**  
 SECRETARY OF THE LEGISLATURE  
 Chairman  
 COMMITTEE ON FINANCE, TAXATION & COMMERCE  
 OFFICE OF FINANCE AND BUDGET

E-Mail address: [eccalvo@eccomm.com](mailto:eccalvo@eccomm.com)  
 155 Hesler Street Hagåtña, Guam 96910  
 November 25, 2005

Telephone: (671) 475-8801  
 Facsimile: (671) 475-8805

Mr. Andy Jordanou  
 Acting Administrator  
 Guam Economic Development and Commerce Authority  
 ITC Building Suite 511  
 Tamuning, Guam 96913

*Håfa adai*, Mr. Jordanou:

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Senator Edward J.B. Calvo

Total Pages Scanned : 1

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No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
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HR: Host receive	PR: Polled remote	CP: Completed	TS: Terminated by system
WS: Waiting send	MS: Mailbox save	FA: Fail	G3: Group 3
			EC: Error Correct



# Transmission Report

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Local ID 2

11-25-2005 02:26:53 p.m.  
671 475 8805

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Local Name 2

This document : Confirmed  
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**MINA 'BENTE OCHO NA LIHESLATURAN GUÅHAN**  
TWENTY-EIGHTH GUAM LEGISLATURE  
**Senator Edward J.B. Calvo**  
SECRETARY OF THE LEGISLATURE  
Chairman  
COMMITTEE ON FINANCE, TAXATION & COMMERCE  
OFFICE OF FINANCE AND BUDGET

E-Mail address: [gentcalvo@ecomm.gm](mailto:gentcalvo@ecomm.gm)  
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November 25, 2005

Telephone: (671) 475-8801  
Facsimile: (671) 475-8805

Ms. Shannon Taitano  
Legal Counsel  
Office of the Governor of Guam  
Ricardo J. Bordallo Governor's Complex  
Hagåtña, Guam 96927

*Hidfa adai*, Ms. Taitano:

The Committee on Finance, Taxation, and Commerce has scheduled a public hearing on Wednesday, November 30, 2005, 9:30 a.m. at *I Liheslaturan Guåhan's* Public Hearing Room in Hagåtña. The Committee will receive written and verbal testimonies from the Public regarding the following measures:

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**Abbreviations:**

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HR: Host receive	PR: Polled remote	CP: Completed	TS: Terminated by system
WS: Waiting send	MS: Mailbox save	FA: Fail	RP: Report
			G3: Group 3
			EC: Error Correct

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11-25-2005 02:27:49 p.m.  
671 475 8805

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Local Name 2

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Document size : 8.5"x11"



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**COMMITTEE ON FINANCE, TAXATION & COMMERCE**  
OFFICE OF FINANCE AND BUDGET

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155 Hester Street Hagåtña, Guam 96910  
November 25, 2005

Telephone: (671) 475-8801  
Facsimile: (671) 475-8806

Mrs. Doris Flores Brooks, CPA, Public Auditor  
Office of the Public Auditor of Guam  
PDN Building, Suite 401  
238 Archbishop Flores Street  
Hagåtña, Guam 96910

*Hafa adai, Mrs. Brooks:*

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**Abbreviations:**

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HR: Host receive	PR: Polled remote	CP: Completed	TS: Terminated by system
WS: Waiting send	MS: Mailbox save	FA: Fail	RP: Report
			G3: Group 3
			EC: Error Correct

# Transmission Report

Date/Time  
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Local ID 2

11-25-2005 03:14:46 p.m.  
671 475 8805

Transmit Header Text  
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Local Name 2

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TWENTY-EIGHTH GUAM LEGISLATURE  
**Senator Edward J. B. Calvo**  
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E-Mail address: [sencalvo@ecomm.com](mailto:sencalvo@ecomm.com)  
155 Hessler Street Hagåtña, Guam 96910  
November 25, 2005

Telephone: (671) 475-8801  
Facsimile: (671) 475-8805

Attorney General Douglas B. Moylan  
Office of the Attorney General of Guam  
287 W. O'Brien Drive  
Hagåtña, Guam 96910

*Håfa adai*, Attorney General Moylan:

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Senator Edward J. B. Calvo

Total Pages Scanned : 1

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No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	987	6714773390	03:12:43 p.m. 11-25-2005	00:00:41	1/1	1	EC	HS	CP14400

Abbreviations:

HS: Host send  
HR: Host receive  
WS: Waiting send

PL: Polled local  
PR: Polled remote  
MS: Mailbox save

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TS: Terminated by system  
RP: Report  
G3: Group 3  
EC: Error Correct

# Transmission Report

Date/Time  
Local ID 1  
Local ID 2

11-25-2005  
03:31:46 p.m.  
671 475 8805

03:31:46 p.m.

Transmit Header Text  
Local Name 1 SENATOR E CALVO  
Local Name 2

This document : Confirmed  
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Document size : 8.5"x11"



MINA BENTE OCHO NA LIHESLATURAN GUÅHAN  
TWENTY-EIGHTH GUAM LEGISLATURE

**Senator Edward J.B. Calvo**  
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Chairman  
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

E-Mail address: [sgcalvo@lccoinn.com](mailto:sgcalvo@lccoinn.com)  
155 Hessler Street Hagåtña, Guam 96910  
November 25, 2005

Telephone: (671) 475-8801  
Facsimile: (671) 475-8805

Ms. Lourdes Perez  
Director  
Department of Administration  
P.O. Box 2950  
Hagåtña, Guam 96932

*Håfa adai, Ms. Perez:*

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Total Pages Confirmed : 1

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	989	+6714776788	03:29:58 p.m. 11-25-2005	00:00:19	1/1	1	EC	HS	CP31200

**Abbreviations:**

HS: Host send  
HR: Host receive  
WS: Waiting send

PL: Polled local  
PR: Polled remote  
MS: Mailbox save

MP: Mailbox print  
CP: Completed  
FA: Fail

TU: Terminated by user  
TS: Terminated by system  
RP: Report  
G3: Group 3  
EC: Error Correct

# Transmission Report

Date/Time  
Local ID 1  
Local ID 2

11-25-2005 02:45:13 p.m.  
671 475 8805

Transmit Header Text  
Local Name 1 SENATOR E CALVO  
Local Name 2

This document : Confirmed  
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Document size : 8.5"x11"



**MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN**  
TWENTY-EIGHTH GUAM LEGISLATURE

**Senator Edward J.B. Calvo**  
SECRETARY OF THE LEGISLATURE

Chairman  
COMMITTEE ON FINANCE, TAXATION & COMMERCE  
OFFICE OF FINANCE AND BUDGET

E-Mail address: [senecalvo@ecommuni.com](mailto:senecalvo@ecommuni.com)  
155 Healer Street Hagåtña, Guam 96910

Telephone: (671) 475-8801  
Facsimile: (671) 475-8805

November 25, 2005

Mrs. Amore Pakingan  
Administrator  
Guam Board of Professional Engineers, Architects,  
and Land Surveyors  
East-West Business Center, Suite 208  
718 N. Marine Drive  
Tamuning, Guam 96913

*Håfa adai, Ms. Pakingan*

Please be advised that the Committee on Finance, Taxation, and Commerce has scheduled a public hearing on Wednesday, November 30, 2005, 9:30 a.m. at *I Liheslaturan Guåhan's* Public Hearing Room. The Committee will receive written and verbal testimonies from the Public on the following measure:

- **Bill 223 (EC):** An Act To Amend § 26202 (E) Of Title 11 Guam Code Annotated Relative To The Taxing Of Contractors.

A copy of the aforementioned bill may be obtained at *I Liheslaturan Guåhan's* website, <http://guamlegislature.com/28th-Guam-Legislature/Bills-Introduced-28th.htm> The Committee encourages verbal testimony, however, written testimony is preferred and should be submitted to my office by 12 noon the day prior to the public hearing. Should you be unable to attend, please contact my office at 475-8801 as soon as possible. *Si Yu'os Ma'åse'!*

  
Senator Edward J.B. Calvo

Total Pages Scanned : 1

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001	967	671 649 9533	02:29:56 p.m. 11-25-2005	00:00:50	1/1	1	EC	HS	CP9600

**Abbreviations:**

HS: Host send	PL: Polled local	MP: Mailbox print	TU: Terminated by user
HR: Host receive	PR: Polled remote	CP: Completed	TS: Terminated by system
WS: Waiting send	MS: Mailbox save	FA: Fail	G3: Group 3
			EC: Error Correct

# Transmission Report

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11-25-2005 02:43:53 p.m.  
671 475 8805

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Local Name 1 SENATOR E CALVO  
Local Name 2

This document : Confirmed  
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Document size : 8.5"x11"



**MINA BENTE OCHO NA LIHESLATURAN GUAHAN**  
TWENTY-EIGHTH GUAM LEGISLATURE

**Senator Edward J.B. Calvo**  
SECRETARY OF THE LEGISLATURE

Chairman  
COMMITTEE ON FINANCE, TAXATION & COMMERCE  
OFFICE OF FINANCE AND BUDGET

E-Mail address: [senecalvo@gsr.com.gu](mailto:senecalvo@gsr.com.gu)  
155 Hesler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801  
Facsimile: (671) 475-8805

November 25, 2005

Mr. Lawrence Perez  
Acting Director  
Department of Public Works  
542 North Marine Drive  
Tamuning, Guam 96913

*Håfa adai, Mr. Perez:*

Please be advised that the Committee on Finance, Taxation, and Commerce has scheduled a public hearing on Wednesday, November 30, 2005, 9:30 a.m. at *I Liheslaturan Guahan's* Public Hearing Room. The Committee will receive written and verbal testimonies from the Public on the following measure:

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Senator Edward J.B. Calvo

Total Pages Scanned : 1

Total Pages Confirmed : 1

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	965	6496178	02:28:57 p.m. 11-25-2005	00:00:12	1/1	1	EC	HS	CP2880

Abbreviations:

HS: Host send  
HR: Host receive  
WS: Waiting send

PL: Polled local  
PR: Polled remote  
MS: Mailbox save

MP: Mailbox print  
CP: Completed  
FA: Fail

TU: Terminated by user  
TS: Terminated by system  
RP: Report

G3: Group 3  
EC: Error Correct

**Transmission Report**

Date/Time  
Local ID 1  
Local ID 2

11-25-2005 02:43:17 p.m.  
671 475 8805

Transmit Header Text  
Local Name 1 SENATOR E CALVO  
Local Name 2

This document : Confirmed  
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Document size : 8.5"x11"



**MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN**  
TWENTY-EIGHTH GUAM LEGISLATURE  
**Senator Edward J.B. Calvo**  
SECRETARY OF THE LEGISLATURE  
Chairman  
COMMITTEE ON FINANCE, TAXATION & COMMERCE  
OFFICE OF FINANCE AND BUDGET

E-Mail address: [sgncalvo@gscomm.com](mailto:sgncalvo@gscomm.com)  
155 Hesler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801  
Facsimile: (671) 475-8805

November 25, 2005

Ms. Karen Storts  
President  
Guam Contractors' Association  
Tamuning, Guam 96913

*Håfa adai*, Ms. Storts:

Please be advised that the Committee on Finance, Taxation, and Commerce has scheduled a public hearing on Wednesday, November 30, 2005, 9:30 a.m. at 1 Liheslaturan Guåhan's Public Hearing Room. The Committee will receive written and verbal testimonies from the Public on the following measure:

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Senator Edward J.B. Calvo

Total Pages Scanned : 1

Total Pages Confirmed : 1

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	964	6474866	02:28:33 p.m. 11-25-2005	00:00:54	1/1	1	EC	HS	CP9600

**Abbreviations:**

- |                  |                   |                   |                          |
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| HS: Host send    | PL: Polled local  | MP: Mailbox print | TU: Terminated by user   |
| HR: Host receive | PR: Polled remote | CP: Completed     | TS: Terminated by system |
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|                  |                   |                   | EC: Error Correct        |



MINA BEN OCHO NA LIHESLATURAN GUÅHAN  
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155 Hesler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801  
Facsimile: (671) 475-8805

**November 28, 2005 (48 hours notice)**

## Public Hearing Notice

5 GCA §8108 (Special)

The Committee on Finance, Taxation, and Commerce has scheduled a public hearing on Wednesday, November 30, 2005, 9:30 a.m. at *I Liheslaturan Guåhan's* Public Hearing Room in *Hagåtña*. The *Committee* solicits any written and verbal testimonies from the public on the following measures:

- **Bill 121 (EC):** An Act To Repeal And Re-Enact Chapter 6 Of Title 11 Guam Code Annotated, Relative To The Licensing Requirements For The Retail And Wholesale Of Tobacco Products; To Add A New Article 6 To Chapter 6 Of Title 11 Guam Code Annotated, To Restrict Importation Of Tobacco Products To Manufacturer's Representatives; And To Amend Section 26601(C) Of Chapter 26 Of Title 11, Guam Code Annotated, Relative To The Tobacco Tax.
- **Bill 156 (EC):** An Act To Amend Subsections (a) And (b) Of §30101, Division 2, Chapter 30 Of Title 11, And Subsection (a) Of §77114, Division 2, Chapter 77 Of Title 21, Guam Code Annotated, Relative To Restoring The Hotel Occupancy Tax From Eleven To Thirteen Percent.
- **Bill 196 (EC):** An Act To Direct The "Windfall" Gross Receipts Tax Collections From All Liquid Fuel Products For Fiscal Year 2005 Be Utilized To Reduce Or Eliminate That Portion Of The Government's Debt To The Government Of Guam Retirement Fund That Prevents Eligible Employees From Retiring.
- **Bill 200 (LS):** An Act To Appropriate The Sum Of One Million Four Hundred Sixty Thousand Dollars (\$1,460,000.00) To The Government Of Guam Retirement Fund For Outstanding Retirement Contributions Owed By The Guam Memorial Hospital Authority.
- **Bill 201 (EC):** An Act To Authorize A Loan Of Up To \$15 Million For Payments For Medicare For Current Retirees In Order To Secure Their Eligibility For Part A And Part B Coverage And To Pledge For Repayment Of The Loan, The Fees For Wholesalers License, Retailers License, Manufacturers License, And Temporary Commercial Licenses As Authorized By §72107 §72108, §72110, And §72111 Respectively Of Chapter 72 Of 11GCA And Service Licenses As Authorized In §76101 Of Chapter 76 Of 11GCA.
- **Bill 223 (EC):** An Act To Amend § 26202 (E) Of Title 11 Guam Code Annotated Relative To The Taxing Of Contractors.

Copies of the aforementioned bills may be obtained at *I Liheslaturan Guåhan's* website, <http://guamlegislature.com/28th-Guam-Legislature/Bills-Introduced-28th.htm> Individuals wanting to submit written testimony or requiring special accommodations or services should contact the Office of Senator Edward J.B. Calvo at 475-8801/2 or send an e-mail to [sencalvo@ecomm.com](mailto:sencalvo@ecomm.com).

cc: All Media





MINA BENE OCHO NA LIHESLATURA GUÅHAN  
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo  
SECRETARY OF THE LEGISLATURE

Chairman  
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

COPY

E-Mail address: [sencalvo@ecomm.com](mailto:sencalvo@ecomm.com)  
155 Hesler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801  
Facsimile: (671) 475-8805

November 23, 2005

**Public Hearing Notice**

5 GCA §8108 (Special)

RECEIVED  
11-23-05

The Committee on Finance, Taxation, and Commerce has scheduled a public hearing on Wednesday, November 30, 2005, 9:30 a.m. at *I Liheslaturan Guåhan's* Public Hearing Room in *Hagåtña*. The *Committee* solicits any written and verbal testimonies from the public on the following measures:

- **Bill 121 (EC)**: An Act To Repeal And Re-Enact Chapter 6 Of Title 11 Guam Code Annotated, Relative To The Licensing Requirements For The Retail And Wholesale Of Tobacco Products; To Add A New Article 6 To Chapter 6 Of Title 11 Guam Code Annotated, To Restrict Importation Of Tobacco Products To Manufacturer's Representatives; And To Amend Section 26601(C) Of Chapter 26 Of Title 11, Guam Code Annotated, Relative To The Tobacco Tax.
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- **Bill 223 (EC)**: An Act To Amend § 26202 (E) Of Title 11 Guam Code Annotated Relative To The Taxing Of Contractors.

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cc: All Senators            Clerk of the Legislature  
All Media                 Protocol Office

MINA'BENTE OCHO NA LIHESLATURAN GUAHAN  
2005 (FIRST) Regular Session

Bill No. 223 (LS) (EC)  
Introduced by:

A.R. UNPINGCO

**AN ACT TO AMEND § 26202 (e) OF TITLE 11 GUAM  
CODEANNOTATED RELATIVE TO THE TAXING  
OF CONTRACTORS.**

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

**Section 1. Legislative Findings and Intent.** In an attempt to prevent double assessment of Gross Receipts Tax on projects handled by several contractors, *I Liheslaturan Guåhan* required that the name of the contractor requesting the credit provide the name and contractor's license number of the person paying the tax on the amount deducted by the person. *I Liheslatura* finds that the Department of Revenue and Taxation issues Business License's along with a license number to General Contractors and Building Material Suppliers but the Professional Engineers, Architects and Land Surveyors (PEALS) Board issues the License's with a Registration Number. *I Liheslatura* further finds that the Department of Revenue and Taxation has been receiving tax returns from contractors showing the name and registration numbers of Professional Engineers and/or Architects and/or Land Surveyors claiming to have paid their portion of the Gross Receipts Tax. It is the intent of *I Liheslatura* to eliminate this grey area by further defining the professions to be exempted from this double payment of Gross Receipts Tax.

**Section 2. Amendment to Section 26202 (e).** Section 26202 (e) of Article 2, Chapter 26, Division 2 of Title 11 Guam Code Annotated is hereby amended to read:

**“(e) Tax on Contractors.** There shall be levied, assessed and collected a tax rate of four per cent (4%) measured against the gross income of any contractor; *provided*, that there shall be deducted from the gross income of the taxpayer so much thereof as has been included in the measure of tax levied under this Subsection on another taxpayer who is a contractor, as defined in § 26101 (b); *provided*, that any person claiming a deduction under this Subsection shall be required to show in the person's return the name and contractor's license number ; or the registration number for a Professional Engineer or Registered Architect or a Professional Land Surveyor of the person paying the tax on the amount deducted by the person.”