


I Mina'trentai Siette Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
18-37 (COR)	Telo T. Taitague Joanne Brown Sabina Flores Perez Roy Anthony Benavente Quinata Jesse A. Lujan	AN ACT TO ADD A NEW § 77103 TO ARTICLE 1 OF CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING FOR THE RESPONSIBLE MANAGEMENT OF PUBLIC FINANCES BY IMPLEMENTING A TEN (10) - YEAR SUNSET PROVISION FOR ALL TAX CREDIT PROGRAMS.	1/27/23 8:03 a.m.						


I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2023 (FIRST) Regular Session

Bill No. 18-37 (COR)

Introduced by:

Telo T. Taitague 

Joanne Brown

Sabina Flores Perez 

Roy A.B. Quinata 

Jesse A. Lujan 

**AN ACT TO ADD A NEW § 77103 TO ARTICLE 1 OF
CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED,
RELATIVE TO PROVIDING FOR THE
RESPONSIBLE MANAGEMENT OF PUBLIC
FINANCES BY IMPLEMENTING A TEN (10) - YEAR
SUNSET PROVISION FOR ALL TAX CREDIT
PROGRAMS.**

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds
3 that tax credit programs provide opportunities for eligible businesses to assist the
4 local government with improvements to public sports facilities and secondary
5 roadways. Tax credit programs have also been authorized for companies that
6 purchase medical equipment for the Guam Memorial Hospital Authority and for
7 companies that fund facility rehabilitation projects for Southern High School. Most
8 recently, *I Liheslatura* approved tax credit programs for improvements to facilities
9 operated by the Guam National Youth Football Federation and for the design and
10 construction of Guam National Tennis Federation facilities.

11 According to the Guam Economic Development Authority (GEDA), since
12 1998 fourteen (14) tax credit programs have been authorized by *I Liheslatura* with

1 a total tax cap of \$29,700,000. Of that amount, \$17,749,983.62 has been disbursed
2 leaving a balance of \$11,950,016.38 which may be accessed by eligible businesses
3 pursuant to law and rules and regulations established by GEDA.

4 Although some tax credit laws allow unused credits to be carried into
5 subsequent years until fully exhausted, GEDA reported in July of 2022 that eight
6 (8) of the fourteen (14) tax credit programs were inactive. The eight (8) programs
7 represent \$9,635,992.90 or 80.6% of the total tax credits that remain available. Of
8 the eight (8) inactive tax credit programs four (4) have not been implemented. The
9 four (4) tax credit programs account for \$8 million in potential tax revenues which
10 public safety, health, education, and other services and programs depend on.

11 At the request of GEDA and as a matter of fiscal responsibility, *I*
12 *Liheslaturan Guåhan* intends through this Act to avoid unnecessarily extending the
13 time in which tax credit programs may be implemented. According to GEDA, the
14 tax credit program authorized since 1998 for the Guam Raceway Park has a
15 balance of \$605,348.82; tax credits authorized since 2003 for the Paseo Baseball
16 Stadium has a balance of \$498,744.00; and, the 2004 tax credit program for soccer
17 stadium facilities has a balance of \$200,000.08.

18 Through this Act, *I Liheslatura* proposes to implement a ten (10) – year
19 sunset provision for existing and new tax credit programs. This Act provides for
20 prudent budgeting by assisting decision makers in responsibly managing tax credit
21 programs.

22
23 **Section 2.** A new § 77103 is *added* to Article 1 of Chapter 77, Title 12,
24 Guam Code Annotated, to read:

25 **“§ 77103. Sunset Provision for Tax Credit Programs.**

26 Notwithstanding any other provision of law, tax credit programs shall
27 automatically expire ten (10) years following enactment of their respective

1 enabling legislation. This provision shall not apply to tax credit programs where *I*
2 *Liheslatura* established a specific period for claiming credits.

3 *I Liheslaturan Guåhan* may, in its discretion, extend through enacted
4 legislation the eligible period for any tax credit program until such time that all
5 eligible tax credits authorized for the program are exhausted.”

6
7 **Section 3. Reporting Requirement.** GEDA shall provide a written report
8 annually to the Speaker of *I Liheslaturan Guåhan* and *I Maga'hågan Guåhan* on
9 the status of all tax credit programs administered by the agency. The report shall be
10 submitted no later than June 1st of each year.

11
12 **Section 4. Effective Date.** This Act shall become effective immediately.