

I Mina'trentai Siette Na Lihelaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
118-37 (COR)	Roy A. B. Quinata	AN ACT TO ADD A NEW ARTICLE 8 TO CHAPTER 26 TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A SUGAR SWEETENED BEVERAGE TAX AND TO CREATING THE GUAM SPORTS FACILITIES FUND TO SUPPORT NEEDED IMPROVEMENTS AND MAINTENANCE OF PUBLIC SPORTS FACILITIES AND EXERCISE PROGRAMS IN GUAM.	5/15/23 10:39 a.m.	5/15/23	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Request: 5/15/23 6/12/23			



COMMITTEE ON RULES

Senator Chris Barnett, Chairperson
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature

June 12, 2023

To: **Joaquin P. Taitague**
Substitute Clerk of the Legislature

From: **Senator Chris Barnett** 
Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 118-37 (COR)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 118-37 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.



Bureau of Budget & Management Research
Fiscal Note of Bill No. 118-37 (COR)

AN ACT TO ADD A NEW ARTICLE 8 TO CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A SUGAR SWEETENED BEVERAGE TAX AND TO CREATING THE GUAM SPORTS FACILITIES FUND TO SUPPORT NEEDED IMPROVEMENTS AND MAINTENANCE OF PUBLIC SPORTS FACILITIES AND EXERCISE PROGRAMS IN GUAM.

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Revenue & Taxation	Dept./Agency Head: Dafne Shimizu, Director
Department's General Fund (GF) appropriation(s) to date:	\$13,555,858
Department's Other Fund (Specify) appropriation(s) to date: Better Public Service Fund & Tax Collection Enhancement Fund	\$1,955,626
Total Department/Agency Appropriation(s) to date:	\$15,511,484

Fund Source Information of Proposed Appropriation

	General Fund:	Special Fund:	Total:
FY 2022 Unreserved Fund Balance		\$0	\$0
FY 2023 Adopted Revenues	\$0	\$0	\$0
FY 2023 Appro. (P.L. 36-107)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2023 (if applicable)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Guam Sports Facilities Fund	1/	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? / X / Yes / / 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? \$ _____ / X / N/A
- 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
 / X / Requested agency comments not received by due date / / Other:

Analyst: <u>Jason Baza</u> Date: <u>6/9/23</u>	Director: <u>Lester L. Carlson, Jr.</u> Date: <u>JUN 09 2023</u>
Jason Baza, BMA Supervisor	Lester L. Carlson, Jr., Director

Notes:
 1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 118-37 (COR)

The proposed legislation intends to: 1) assess a new tax levy on sugar or sweetened beverage products, 2) establish the Guam Sports Facilities Fund, in which the new tax levy will be deposited, and 3) establish export and military sales drawbacks of the full amount of tax paid under this proposed tax levy.

The tax levy rates proposed are as follows:

- Two cents (\$0.02) per ounce tax for premixed sweetened beverages that are manufactured or imported for sale in Guam.
- Two cents (\$0.02) per ounce tax of liquid product that can be produced by powder products.
- Three and a half cents (\$0.035) per ounce tax of syrup or concentrate on all containers.

The creation of the Guam Sports Facilities Fund shall be subject to legislative appropriation, and is authorized to be used for:

- Development, repair, and maintenance of existing sports facilities/programs within the Guam Department of Education.
- Development, repair, and maintenance of existing sports facilities and implementation of youth sports/exercise programs within the villages of Guam under the control of the Mayors Council of Guam.

Per the AS400 financial system, Business Privilege Tax categories are generally broad (i.e. Retail, Wholesale, etc.). As such, the Bureau is unable to ascertain the sole gross sales of sugar or sweetened beverage products. Absent substantial information on the gross sales of sugar or sweetened beverage products on Guam, the Bureau is unable to provide an approximate financial impact at this time. However, for illustrative purposes, at the proposed rate of two cents (\$0.02) per ounce for premixed sweetened beverages, the estimated tax on a case of soda cans (12 ounces a can/twenty-four cans) would be Five Dollars and Seventy-Six Cents (\$5.76).