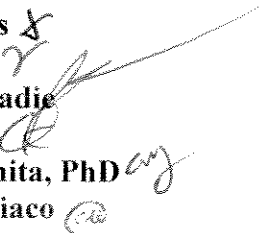




**I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) REGULAR SESSION**

Bill No. 323-312 (COM)

Introduced by:

Chris M. Dueñas 
T. A. Morrison
Brant T. McCreadie
V. Anthony Ada
Aline A. Yamashita, PhD 
Michael T. Limtiaco 

**AN ACT TO *REDUCE* THE BUSINESS PRIVILEGE TAX
RATE FROM FOUR PERCENT (4%) TO THREE AND EIGHT-
TENTHS PERCENT (3.8%); TO *INCREASE* CERTAIN
BUSINESS PRIVILEGE TAX EXEMPTIONS FROM FORTY
PERCENT (40%) TO SEVENTY-FIVE PERCENT (75%); AND,
TO REPEAL 11 GCA § 26203.1, RELATIVE TO EXEMPTION
LIMITATIONS.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Statement. This tax cut proposal seeks to strike a balance between legislative proposals to increase the minimum wage from its current \$7.25 per hour to \$10.10 per hour by reducing the taxes due on certain business activity. This legislation also proposes to coincide the raising of the threshold of gross revenue exempted from Business Privilege Taxes from its current level of \$40,000 in annual revenue to \$50,000 when the first wage increment goes into effect on January 1, 2015. The threshold will increase to \$60,000 on the same date when the second increment takes effect on January 1, 2016. When the final wage increment is implemented on January 1, 2017, the final increase to the threshold of \$75,000 in annual revenue shall also take effect.

Section 2. Reduction of Business Privilege Tax Rate. Notwithstanding any other provision of law, the four percent (4%) business privilege tax rate contained in 11 GCA § 26202 (a), c), (d), (e), (f), (g), (h), (i), and (j) shall be amended to three and eight-tenths percent (3.8%) effective January 1, 2015.

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1 **Section 3. Reduction of Business Privilege Tax Exemptions.** Notwithstanding any
2 other provision of law, the Forty Thousand Dollars (\$40,000.00) exemptions contained in items (9),
3 (28), (29), (30), (31), and (32) of 11 GCA § 26203(k)11 GCA 26203 (k)(9) shall be increased to
4 Fifty Thousand Dollars (\$50,000.00) effective January 1, 2015; to Sixty Thousand Dollars
5 (\$60,000.00) effective January 1, 2016; and, to Seventy-five Thousand Dollars (\$75,000.00)
6 effective January 1, 2017.

7 **Section 4. 11 GCA § 26203.1 is repealed.**

8 ~~“§ 26203.1. Exemption Limitation. The aggregate amount of exemption allowed under~~
9 ~~Items (9), (28), (29) and (30) of Subsection 26203(k) of this Chapter for the taxable year shall not~~
10 ~~exceed Fifty Thousand Dollars (\$50,000.00).”~~

11 **Section 5. Effective Dates.** Unless explicitly stated in this Act, the changes to the
12 Business Privilege Tax rate and exemptions contained herein shall take effect upon enactment.