










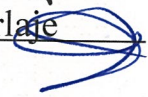
*I Mina'trentai Singko Na Liheslaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
301-35 (COR)	Amanda L. Shelton Therese M. Terlaje Tina Rose Muña Barnes Telena Cruz Nelson Joe S. San Agustin William M. Castro Clynton E. Ridgell Kelly Marsh (Taitano), PhD James C. Moylan Jose "Pedro" Terlaje	AN ACT TO ADD A NEW ARTICLE 9 TO CHAPTER 77, DIVISION 2, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING CERTAIN TAX CREDITS FOR REQUIRED MEDICAL EQUIPMENT AND ELECTRONIC HEALTH RECORDS SYSTEM FOR THE GUAM MEMORIAL HOSPITAL AUTHORITY.	2/21/20 4:42 p.m.						


***I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN***  
**2020 (SECOND) Regular Session**

**Bill No. 301-35 (COR)**

Introduced by:

Amanda L. Shelton   
Therese M. Terlaje   
Tina Rose Muña Barnes   
Telena Cruz Nelson   
Joe S. San Agustin   
William M. Castro   
Clynton E. Ridgell   
Kelly Marsh (Taitano), PhD   
James C. Moylan   
Jose "Pedro" Terlaje 

**AN ACT TO *ADD* A NEW ARTICLE 9 TO CHAPTER 77,  
DIVISION 2, TITLE 12, GUAM CODE ANNOTATED,  
RELATIVE TO AUTHORIZING CERTAIN TAX CREDITS  
FOR REQUIRED MEDICAL EQUIPMENT AND  
ELECTRONIC HEALTH RECORDS SYSTEM FOR THE  
GUAM MEMORIAL HOSPITAL AUTHORITY**

2020 FEB 21 PM 4:42 

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

**Section 1. Legislative Findings and Intent.**

*I Liheslaturan Guåhan* finds that the Guam Memorial Hospital Authority (GMHA) is the only public hospital on Guam and remains a refuge of care for the sick and injured on Guam. The GMHA is in need of dire assistance for several life-saving medical equipment needs. To this end, *I Liheslatura* finds that the establishment of a tax credit program will assist in incentivizing private sector assistance toward the contribution of medical equipment to the GMHA.

1           **Section 2.** A new Article 9 is hereby *added* to Chapter 77 of Division 2, Title  
2 12, Guam Code Annotated, to read:

3                   **“ARTICLE 9. TAX CREDITS FOR THE GUAM MEMORIAL**  
4 **HOSPITAL AUTHORITY**

5           § 97701. Applicability of Article.

6           § 97702. Credits Against Unpledged Business Privilege Tax and Exemption of  
7 Use Tax.

8           § 97703. Cap on Business Privilege Tax Credits for Required Medical Equipment  
9 and Electronic Health Records System at Guam Memorial Hospital Authority

10          § 97704. Guam Economic Development Authority Report.

11          § 97705. Rules and Regulations.

12          § 97706. Approval of Contributions.

13          § 97707. Fines and Penalties.

14          **§ 97701. Applicability of Article.** The provisions of this Article are applicable  
15 to the critical renovations and medical equipment at the Guam Memorial Hospital as  
16 authorized by this Act.

17          **§ 97702. Credits Against Unpledged Business Privilege Tax and Exemption**  
18 **of Use Tax.**

19                 (a) A business, to the extent that such business contributes to a not-for-  
20 profit organization designated by the Guam Memorial Hospital Authority  
21 (GMHA) Board of Directors to receive such contributions on behalf of the  
22 GMHA, to acquire the required medical equipment needed by the GMHA, as  
23 identified and approved by the Board of Trustees of the GMHA, it *shall* be  
24 entitled to credit of business privilege taxes *not* already pledged for any purpose  
25 by Guam law. The basis for contribution for such required medical equipment  
26 needs *shall* be the actual cost of the contribution plus the cost of transportation,

1 if any, from the point of origin to its destination. The GMHA *shall* coordinate  
2 with its designated not-for-profit organization, the processing and receipt of the  
3 costs of medical equipment from contributing businesses and *shall* certify that  
4 such costs are for the intended authorized purposes herein. Such certification of  
5 costs *shall* be provided to the Guam Economic Development Authority.

6 (b) Any unused credits *not* used in the current tax period may be carried  
7 over into subsequent tax periods until such credits are exhausted.

8 (c) The total credits allowed under this Article shall not exceed the actual  
9 dollar amount of the expenditures for required medical equipment.

10 (d) One hundred percent (100%) of Use Taxes *shall* be exempt with respect  
11 to costs directly associated with the transportation and delivery of medical  
12 equipment for the GMHA contributed under this Article. Only such use taxes  
13 directly associated with contributing such medical equipment *shall* be exempted.  
14 The GMHA *shall* coordinate with its designated not-for-profit organization, the  
15 processing and receipt of such costs directly associated with such medical  
16 equipment and *shall* certify that such costs are for the intended authorized  
17 purposes. Such certification *shall* be provided to the Guam Economic  
18 Development Authority.

19 **§ 97703. Cap on Business Privilege Tax Credits for Required Medical**  
20 **Equipment and Electronic Health Records System at Guam Memorial Hospital**  
21 **Authority**

22 (a) The total amount of credits against unpledged business privilege taxes  
23 for medical equipment needs of the GMHA authorized herein *shall* not exceed  
24 Five Million Dollars (\$5,000,000) over a five (5) year period. No more than Five  
25 Hundred Thousand Dollars (\$1,000,000) in tax credits shall be authorized for  
26 each year of the program.

1 (b) If, at the expiration of the five (5) year period authorized pursuant to  
2 this Article, there are still unclaimed authorized tax credits, then *I Liheslaturan*  
3 *Guåhan* may, in its discretion, extend the eligible period until such time that all  
4 eligible tax credits are exhausted.

5 (c) *I Liheslaturan Guåhan* may, in its discretion, extend the term and  
6 modify any part of the program.

7 (d) Medical equipment purchases shall be competitively procured.

8 **§ 97704. Guam Economic Development Authority Report.** The Guam  
9 Economic Development Authority *shall* submit a report to *I Liheslaturan Guåhan*  
10 detailing the impact of the program on the unpledged business privilege taxes and  
11 economic activities on Guam. GEDA *shall* also include in its report its monitoring  
12 efforts and any other information related to the program. The report *shall* be transmitted  
13 to *I Liheslaturan Guåhan* on an annual basis until the tax credit caps pursuant to § 97703  
14 of this Article are exhausted.

15 **§ 97705. Rules and Regulations.** The GEDA *shall* implement and monitor the  
16 tax credit program authorized pursuant to this Article based on rules and regulations  
17 already adopted by the GEDA for previous tax credit programs.

18 **§ 97706. Approval of Contributions.** The GEDA or its designee *shall* be  
19 responsible for approving the contributions made towards the purchase of required  
20 medical equipment for the GMHA as identified in this Article. The GEDA is authorized  
21 to collect a processing fee in order to defer the cost of administering the Program. The  
22 fee *shall* be equal to *not more than* one and one-half percent (1.5%) of the amount of  
23 tax credits approved by the GEDA on each application for certification of tax credits,  
24 and *may* be due upon release of the certification. Such fees *shall* be deposited in the  
25 GEDA operational account to be used exclusively for the operations of the GEDA's tax  
26 credit program activities.

1           **§ 97707. Fines and Penalties.**

2           (a) To the extent that a company providing materials and services for the  
3 project contained herein takes more tax benefits in terms of unpledged business  
4 privilege taxes than the actual value of the materials or services contributed to  
5 the project authorized herein, that company *shall* be required to pay all interest  
6 and penalties applicable under Guam law and the Internal Revenue Code for  
7 failure to pay taxes, in addition to payment of the actual taxes due.

8           (b) To the extent that any individual, officer, director, or other person  
9 having interest in a company providing materials or services for the project  
10 contained herein knowingly and willingly causes such company to take more tax  
11 benefits in terms of business privilege taxes than the actual value of the material  
12 or services contributed to the project, such individual shall be guilty of a felony  
13 in the third degree punishable by a fine of not less than Five Thousand Dollars  
14 (\$5,000) or one (1) year in prison or both.

15           **Section 3. Effective Date.** The provisions contained herein *shall* become  
16 effective October 1, 2021.