



FILE COPY

***I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN***  
THIRTY-THIRD GUAM LEGISLATURE  
155 Hesler Place, Hagåtña, Guam 96910

December 30, 2016

The Honorable Edward J.B. Calvo  
*I Maga'låhen Guåhan*  
*Ufisinan I Maga'låhi*  
*Hagåtña, Guam*

Dear *Maga'låhi* Calvo:

Transmitted herewith are Bill and Substitute Bill Nos. 162-33 (COR), 200-33 (COR), 299-33 (COR), 312-33 (COR), 330-33 (COR), 332-33 (COR), 336-33 (LS), 337-33 (LS), 350-33 (COR), 356-33 (COR), 357-33 (COR), 358-33 (COR), 379-33 (COR), 380-33 (COR), 385-33 (COR), 389-33 (COR), 391-33 (COR), 392-33 (COR), 397-33 (COR), 398-33 (COR), 399-33 (COR), 402-33 (COR), 403-33 (LS), 404-33 (LS), 406-33 (COR), 407-33 (COR), 409-33 (COR) and 411 (COR), which were passed by *I Mina'Trentai Tres Na Liheslaturan Guåhan* on December 30, 2016.

Sincerely,

TINA ROSE MUÑA BARNES  
Legislative Secretary

Enclosure (28)

PO3 PG CORP #374  
12/30/16  
8:50 pm

**I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN**  
**2016 (SECOND) Regular Session**

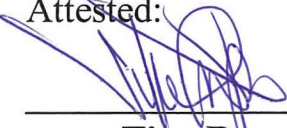
**CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LÅHEN GUÅHAN**

This is to certify that **Bill No. 332-33 (COR)**, "AN ACT TO *ADD A NEW § 26203.2 TO ARTICLE 2 OF CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO RAISING THE BUSINESS PRIVILEGE TAX THRESHOLD EXEMPTION BY PRORATED AMOUNTS AT A RATE OF FIFTY THOUSAND DOLLARS (\$50,000) FOR EACH ONE DOLLAR (\$1.00) GROSS MINIMUM WAGE INCREASE ABOVE EIGHT DOLLARS AND TWENTY-FIVE CENTS (\$8.25) PER HOUR,*" was on the 30<sup>th</sup> day of December 2016, duly and regularly passed



**Judith T. Won Pat, Ed.D.**  
**Speaker**

Attested:



**Tina Rose Muña Barnes**  
**Legislative Secretary**

This Act was received by *I Maga'låhen Guåhan* this 30<sup>th</sup> day of DEC,  
2016, at 9:50 o'clock P.M.

PAMEUC G. CORPUS H374

**Assistant Staff Officer**  
***Maga'låhi's Office***

APPROVED:

**EDWARD J.B. CALVO**  
***I Maga'låhen Guåhan***

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_

***I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN***  
**2016 (SECOND) Regular Session**

**Bill No. 332-33 (COR)**

Introduced by:

Michael F.Q. San Nicolas  
James V. Espaldon  
T. C. Ada  
V. Anthony Ada  
FRANK B. AGUON, JR.  
Frank F. Blas, Jr.  
B. J.F. Cruz  
Brant T. McCreddie  
Tommy Morrison  
T. R. Muña Barnes  
R. J. Respicio  
Dennis G. Rodriguez, Jr.  
Mary Camacho Torres  
N. B. Underwood, Ph.D.  
Judith T. Won Pat, Ed.D.

**AN ACT TO *ADD* A NEW § 26203.2 TO ARTICLE 2 OF CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO RAISING THE BUSINESS PRIVILEGE TAX THRESHOLD EXEMPTION BY PRORATED AMOUNTS AT A RATE OF FIFTY THOUSAND DOLLARS (\$50,000) FOR EACH ONE DOLLAR (\$1.00) GROSS MINIMUM WAGE INCREASE ABOVE EIGHT DOLLARS AND TWENTY-FIVE CENTS (\$8.25) PER HOUR.**

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

2 **Section 1. Short Title.** This Act *shall* be cited as the “Responsible  
3 Minimum Wage Affordability Improvement Act.”

1           **Section 2. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
2 that the Business Privilege Tax is the largest single source of revenue to the General  
3 Fund of the government of Guam, responsible for roughly one-third (1/3) of its  
4 revenue.

5           *I Liheslaturan Guåhan* finds that increasing the minimum wage can result in  
6 higher take-home pay for low income workers.

7           *I Liheslaturan Guåhan* further finds that a minimum wage increase can impact  
8 the profitability of businesses that pay below or slightly above the proposed  
9 minimum wage.

10          *I Liheslatura* further finds that it cannot be known for certain the number of  
11 small businesses that may not open due to an increase in the minimum wage, the  
12 number of employees not hired as a result of an increase in the minimum wage, or  
13 the number of businesses that do not expand due to an increase in the minimum  
14 wage. If the minimum wage is to increase, it ought to be done in such a manner that  
15 protects some of the businesses most likely to be adversely affected.

16          *I Liheslaturan Guåhan* finds that the Business Privilege Tax has threshold  
17 exemptions for businesses with under Fifty Thousand Dollars (\$50,000) in income,  
18 exempting the first Forty Thousand Dollars (\$40,000) of income.

19          *I Liheslaturan Guåhan* finds that the annual direct wage cost of One Dollar  
20 (\$1.00) per hour for a forty (40) hours per week employee with two (2) weeks of  
21 unpaid leave, would be Two Thousand Dollars (\$2,000). If the government of Guam  
22 were to increase the Business Privilege Tax threshold exemption sufficiently to  
23 offset a minimum wage increase of One Dollar (\$1.00) per hour for one (1) such  
24 employee, the threshold would be raised Fifty Thousand Dollars (\$50,000).

25          It is, therefore, the intent of *I Liheslaturan Guåhan* to provide assistance to  
26 small businesses for any future minimum wage increase by raising the threshold  
27 exemptions of the Business Privilege Tax by prorated amounts at a rate of Fifty

1 Thousand Dollars (\$50,000) for each One Dollar (\$1.00), rounded to the nearest  
2 tenth (10<sup>th</sup>) cent, gross increase in the minimum wage, by adding a new § 26203.2  
3 to Article 2 of Chapter 26, Title 11, Guam Code Annotated.

4 **Section 3. Minimum Wage Affordability Improvement.** A new §  
5 26203.2 is hereby *added* to Article 2 of Chapter 26, Title 11, Guam Code Annotated,  
6 to read:

7 **“§ 26203.2. Minimum Wage Affordability Improvement.**

8 (a) **Definitions.** For the purpose of this Section, the following words  
9 and phrases, together with all of the common derivatives thereof, *shall* have  
10 the meaning ascribed to them in this Subsection:

11 (1) *exemption amounts* means the maximum of the Forty  
12 Thousand Dollars (\$40,000) Business Privilege Tax exemptions  
13 provided in Items (9), (28), (29), (30), (31) and (32) of § 26203(k) of  
14 this Article, and the maximum of Fifty Thousand Dollars (\$50,000)  
15 Business Privilege Tax exemption provided in § 26203.1 of this Article;

16 (2) *gross minimum wage increase* means the greater of either  
17 the federal minimum hourly wage under the U.S. Fair Labor Standards  
18 Act minus Eight Dollars and Twenty-Five Cents (\$8.25) per hour, or  
19 the minimum hourly wage established under of 22 GCA § 3105 minus  
20 Eight Dollars and Twenty-Five Cents (\$8.25) per hour;

21 (3) *minimum wage increase* means a change in the greater of  
22 the federal minimum hourly wage under the U.S. Fair Labor Standards  
23 Act and the minimum hourly wage established under 22 GCA § 3105  
24 that results in a minimum hourly wage greater than Eight Dollars and  
25 Twenty-Five Cents (\$8.25) per hour; and

26 (4) *threshold amounts* means the maximum of Fifty Thousand  
27 Dollars (\$50,000) of applicable income required for a business to claim

1 the Business Privilege Tax exemptions provided under Items (9), (28),  
2 (29), (30), (31) and (32) of § 26203(k) of this Article.

3 (b) Changes to Threshold and Exemptions Amounts. Upon the  
4 effective date of any minimum wage increase following the enactment of this  
5 Section, the threshold amounts and exemption amounts *shall* each increase  
6 beyond their amounts as of the date of enactment of this Section by prorated  
7 amounts at a rate of Fifty Thousand Dollars (\$50,000) for each One Dollar  
8 (\$1.00), rounded to the nearest tenth (10<sup>th</sup>) cent, gross minimum wage  
9 increase.

10 (c) Notice. In the event of any change in the threshold exemptions  
11 pursuant to this Section, the Department of Revenue and Taxation *shall* post  
12 a notice on its website and *shall* transmit a letter to each business required to  
13 file for Business Privilege Taxes with the Department, each of which *shall*  
14 provide information about the new threshold and exemption amounts.”

15 **Section 4. Severability.** If any provision of this Act or its application to  
16 any person or circumstance is held invalid, the invalidity *shall not* affect other  
17 provisions or applications of this Act that can be given effect without the invalid  
18 provision or application, and to this end the provisions of this Act are severable.