

I Mina'Trentai Dos Na Liheslaturan Guahan

Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
109-32 (COR)	Michael F.Q. San Nicolas, B.J.F. Cruz	AN ACT TOAMEND §26205 OF ARTICLE 2, CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO INCREASING THE STATUTE OF LIMITATIONS ON THE COLLECTION OF UNPAID BUSINESS PRIVILEGE TAX TO TEN (10) YEARS.	5/8/13 3p.m.	5/8/13	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land			



COMMITTEE ON RULES

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May 8, 2013

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MEMORANDUM

To: Rennae Meno
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: Senator Rory J. Respicio 
Majority Leader & Rules Chair

Subject: Referral of Bill Nos. 109 & 110-32(COR)

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill Nos. 109 & 110-32(COR)**.

Please ensure that the subject bills are referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

Attachment

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

Bill No. 109-32 (COR)

Introduced by:

Michael F.Q. San Nicolas
B.J.F. Cruz

2013 MAY - 8 PM 3:00

**AN ACT TO AMEND §26205 OF ARTICLE 2, CHAPTER
26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE
TO INCREASING THE STATUTE OF LIMITATIONS
ON THE COLLECTION OF UNPAID BUSINESS
PRIVILEGE TAX TO TEN (10) YEARS.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Short Title. This Act *shall* be cited as the “Responsible Business Privilege Tax Statutes of Limitations Act.”

Section 2. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that there was no statute of limitations on the collection of the Gross Receipts Tax until, on November 14, 1987, Governor Joseph F. Ada approved Public Law 19-10, which established a seven (7) year statute of limitations.

I Liheslatura finds that, in contrast to the seven (7) year statute of limitations on collections of the Gross Receipts Tax, now called the Business Privilege Tax, the statute of limitations for collections by the Department of Revenue and Taxation pursuant to taxes under the mirror tax, established by the Organic Act, is ten (10) years. The government of

Guam has three (3) extra years to collect for taxes under the Internal Revenue Code mirror tax, as compared to businesses taxed under the Business Privilege Tax.

I Liheslatura further finds that the extension of the statute of limitations for collections of the Business Privilege Tax would result in \$5,794,530.62 in additional potential revenue, which could be used to support vital public services.

I Liheslaturan Guåhan finds that the recent performance audit report by the Office of Public Accountability on Gross Receipts Tax Exemptions reveals significant challenges with the monitoring, reporting and collection of the Gross Receipts Tax, which underline the usefulness in extending the statute of limitations because it applies from the time when the tax return is filed.

It is therefore the intent of *I Liheslatura* that the statute of limitations for collections be standardized within the Department of Revenue and Taxation by adopting a ten (10) year statute of limitations for the collection of the Business Privilege Tax.

Section 3. Statute of Limitations for Collections of the Business Privilege Tax. § 26205, Article 2, Chapter 26, Title 11, Guam Code Annotated, is hereby *amended*, to read:

“§ 26205. Statute of Limitations for Collections.

The statute of limitations for collections of unpaid taxes due on business privilege tax returns *shall* be ten (10) ~~seven (7)~~ years after the

1 return is filed. For amendment, correction, adjustment, challenge,
2 determination of correctness of the amount of taxes paid, or audit of
3 income reported and the correctness of the amount of tax liability shown
4 on the business privilege tax returns, the statute of limitations *shall* be three
5 (3) years after filing and payment of taxes due. There *shall* be no statute of
6 limitations on unfiled business privilege tax returns or on the collection of
7 taxes on revenues not shown or reported on Business Privilege Tax
8 Returns.”

9 **Section 4. Severability.** If any of the provisions of this Act, or the
10 application thereof to any person or circumstance, is held invalid, such
11 invalidity *shall* not affect any other provision or application of this Act
12 which can be given effect without the invalid provision or application, and
13 to this end the provisions of this Act are severable.