EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor Of Guam

GL# 34-18-1631
Speaker Benjamin J.F. Cruz

MAR 04 2018
Time: 2:25 AM PM File No. 34-1643
Received By:

March 8, 2018

The Honorable Therese M. Terlaje
Acting Speaker
I Mina'trentai Kuåttro Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Dear Vice-Speaker:

Pursuant to my authority under Section 1423h of the Organic Act of Guam, I am calling *I Liheslaturan Guåhan* into special session on **Thursday March 8, 2018, at 4:00 p.m.** for the sole purpose of considering, debating, and voting on Bill 248-34(LS). On February 28, 2018, I called *I Liheslatura* into session on this same bill, and today a public hearing was held and concluded.

2018 MAR -8 PM 2:34

In my opinion, the emergency situation and cash crisis faced by the Government continues to deepen with every passing day, and the public interest requires that immediate action be in order to protect the health, safety, and welfare of the community.

Senseramente,

EDDIE BAZA CALVO

1631

Vice Speaker Therese M. Terlaje

MAR 08 2018
Time: 2:23 pm
Received by:

I MINA'TRENTAI KUÅTTRO NA LIHESLATURAN GUÅHAN
2018 (SECOND) Regular Session

Bill No. 248-34 (LS)

Introduced by: Joe S. San Agustin

AN ACT TO ADD A *NEW* ARTICLE 7 TO CHAPTER 26 OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO IMPOSING A GENERAL SALES TAX IN GUAM, AND TO DEDICATING THE REVENUE TO BE COLLECTED FROM THE EXPANDED REVENUE STREAM TO (1) THE GUAM MEMORIAL HOSPITAL FOR ITS OPERATIONS AND MODERNIZATION, (2) THE DEPARTMENT OF EDUCATION TO FUND ITS CAPITAL NEEDS, AND (3) THE GENERAL FUND OF THE GOVERNMENT OF GUAM TO ADDRESS THE TAX BASE EROSION RESULTING FROM THE PASSAGE OF THE TAX CUTS AND JOBS ACT OF 2017.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. To add a *new* Article 7 to Chapter 26 of Title 11, Guam Code Annotated, to read:

"ARTICLE 7

GENERAL SALES TAX

§ 26701. Levy.
§ 26702. Definitions.
§ 26703. Administration.
§ 26704. Rules and Regulations.

2018 FEB 26 PM 4:45

§ 26701. Levy. There is hereby levied and *shall* be assessed and collected a general sales tax on tangible personal property and any service business, including but not limited to professional services, contractor services, banking and lending services, foreign currency services, insurance services, and tourism-related services, at the rate of two percent (2%).

§ 26702. Definitions.

(a) *Department* means the Department of Revenue and Taxation.

(b) *Tangible personal property* means any corporeal personal property of any nature.

§ 26703. Administration. The Department of Revenue and Taxation *shall* be responsible for the administration of this Article.

§ 26704. Rules and Regulations. The Department of Revenue and Taxation *shall* promulgate rules and regulations to implement this Article within thirty (30) days of enactment of this Act."

Section 2. Use and appropriation of revenue.

The increased revenues derived from the general sales tax described in this Act *shall* be allocated accordingly:

(a) 0.75% to Guam Memorial Hospital Authority for its purposes, including but not limited to, capital investment, operational requirements or reserves;

(b) 0.25% to the Department of Education for its capital improvement needs; and

(c) 1.00% to the General Fund of the Government of Guam to address the erosion of the tax base resulting for the passage of the Tax Cuts and Jobs Act of 2017.

Section 3. Approval of Voters Not Required. Notwithstanding 3 GCA §§ 16311 and 16312, the imposition of the general sales tax authorized by this Act *shall not* be subject to the approval of, or placed before, the voters of Guam.

Section 4. Effective Date. This Act *shall* be effective upon enactment.

Section 5. Severability. If any provision of this Act or its application to any person or circumstance is found to be invalid, or contrary to law, such invalidity *shall not* affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.