UFISINAN I MAGA'HÅGA
OFFICE OF THE GOVERNOR

LOURDES A. LEON GUERRERO
MAGA'HÅGA • GOVERNOR

JOSHUA F. TENORIO
SIGUNDO MAGA'LÅHI • LIEUTENANT GOVERNOR

HAND DELIVERED

35GL-19-0492
Speaker Tina Rose Muña Barnes

MAY 0 7 2019
Time 4:09 ( )AM ( )PM
Received By: alen

May 7, 2019

Honorable Tina Rose Muña-Barnes
Speaker
I Mina'trentai Singko Na Liheslaturan Guåhan
Guam Congress Building
Hagåtña, Guam 96910

Re: **Bill No. 1-35(LS) – An Act to Add a New 26203.2 to Article 2, Chapter 26, Title 11, Guam Code Annotated, Relative to Providing Limited Exemptions to Small Businesses Under "The Dave Santos Small Business Enhancement Act"**

2019 MAY -7 PM 5:00

Dear Madam Speaker:

Today, I have signed Bill No. 1-35 into law as **Public Law 35-13**.

Economies always thrive when small businesses are supported. This is because small businesses create jobs. They hire and train our local workforce. They inspire new entrepreneurs to open small businesses of their own. All of these are essential to and will enhance our island's economy.

I have always supported small businesses and believe investments like this will always result in positive returns for Guam.

Senseremente,

LOURDES A. LEON GUERRERO
Maga'hågan Guåhan
Governor of Guam

Enclosure: Bill 1-35 nka P.L. 35-13

cc: Lt. Governor of Guam (via email)
Compiler of Laws (via email)
Central Files

0492

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I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2019 (FIRST) Regular Session

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

This is to certify that **Bill No. 1-35 (LS), "AN ACT TO *ADD* A NEW § 26203.2 TO ARTICLE 2, CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING LIMITED EXEMPTIONS TO SMALL BUSINESSES UNDER "THE DAVE SANTOS SMALL BUSINESS ENHANCEMENT ACT,"** was on the 25th day of April 2019, duly and regularly passed.

Tina Rose Muña Barnes
Speaker

Attested:

Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 26th day of April, 2019, at 4:18 o'clock P.M.

Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 5/7/2019

Public Law No. 35-13

2019.2486
RCVD AT CENTRAL FILE
APR 26 '19 PM4:19
Martin B-Reyes

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2019 (FIRST) Regular Session

Bill No. 1-35 (LS)
As amended by the Committee on General Government Operations, Appropriations, and Housing; and further amended on the Floor.

Introduced by:

Régine Biscoe Lee
James C. Moylan
Tina Rose Muña Barnes
Joe S. San Agustin
William M. Castro
Kelly Marsh (Taitano), PhD
Louise B. Muña
Telena Cruz Nelson
Clynton E. Ridgell
Amanda L. Shelton
Telo T. Taitague
Jose "Pedo" Terlaje
Therese M. Terlaje
Mary Camacho Torres

AN ACT TO *ADD* A NEW § 26203.2 TO ARTICLE 2, CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING LIMITED EXEMPTIONS TO SMALL BUSINESSES UNDER "THE DAVE SANTOS SMALL BUSINESS ENHANCEMENT ACT."

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. A new § 26203.2 is hereby *added* to Article 2, Chapter 26, Division 2, Title 11, Guam Code Annotated, to read:

"**§ 26203.2. Limited Exemption for Certain Small Businesses.**

The taxes levied under this Article in excess of those generated from three percent (3%) of the gross proceeds of business privilege tax referenced in § 26202 *shall not* apply to the first One Hundred Thousand Dollars

($100,000) earned or received per taxable year by any person from real property rentals, retailing, service income, commission income, licensed insurance premium, and/or farming, whose gross annual income is in excess of Fifty Thousand Dollars ($50,000) but *not more than* Two Hundred Fifty Thousand Dollars ($250,000) during the most recent tax year; provided, however, that such person(s) *shall* be fully subject to three percent (3%) of the gross proceeds of business privilege tax referenced in § 26202, subject to the existing requirements and exemptions referenced elsewhere in this Article. The exemption set forth in this Section *shall* apply annually, commencing on the first day of the month of the new tax year, based on the gross annual income of a person during the most recent year, and *shall* end on the last day of the last month of the same tax year."

Section 2. Reporting Requirements. Beginning on January 1, 2021, the Department of Revenue and Taxation *shall* provide an annual report to *I Maga'hagån Guåhan* and *I Liheslaturan Guåhan*. Such report *shall* be transmitted by January 1 of each year, and *shall* include the cumulative number of W-2 forms filed and the business privilege taxes paid by all businesses using the exemption in 11 GCA § 26203.2, and the number of new business licenses for the year; and such report *shall* further provide comparable data for the prior five (5) years.

Section 3. Effective Date. This Act *shall* be effective on January 1, 2020.

Section 4. 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.