

I Mina'trentai Siette Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
17-37 (COR) As amended by the Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Telo T. Taitague Joanne Brown Sabina Flores Perez Roy A. B. Quinata Jesse A. Lujan	AN ACT TO ADD A NEW § 77103 TO ARTICLE 1 OF CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ENSURING FISCAL RESPONSIBILITY BY LIMITING THE TOTAL AUTHORIZED AMOUNT OF TAX CREDITS EACH YEAR TO THE AMOUNT SET ASIDE BY I LIHESLATURAN GUÅHAN AS THE GENERAL FUND RESERVE (DEFICIT REDUCTION/RAINY DAY FUND).	1/27/23 8:03 a.m.	1/27/23	Committee on General Government Operations and Appropriations	Request: 1/27/23	2/27/23 2:00 p.m.	4/5/23 5:00 p.m.	
				2/8/23	Re-Referred: Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	2/16/23	As amended by the Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning		
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	PUBLIC LAW NO.	DATE SIGNED	NOTES	
4/24/23	AN ACT TO ADD A NEW § 77103 TO ARTICLE 1 OF CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ENSURING FISCAL RESPONSIBILITY BY LIMITING THE TOTAL AUTHORIZED AMOUNT OF TAX CREDITS EACH YEAR TO THE AMOUNT SET ASIDE BY I LIHESLATURAN GUÅHAN AS THE GENERAL FUND RESERVE (DEFICIT REDUCTION/RAINY DAY FUND).	4/28/23	5/1/23	5/12/23	37-13	5/12/23	Received: 5/12/23 Messages and Communications Doc. No. 37GL-23-0524		

LOURDES A. LEON GUERRERO
GOVERNOR



JOSHUA F. TENORIO
LT. GOVERNOR

UFISINAN I MAGA'HÅGAN GUÅHAN
OFFICE OF THE GOVERNOR OF GUAM

Transmitted via email to: speaker@guamlegislature.org

May 12, 2023

HONORABLE THERESE M. TERLAJE, *Speaker*
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

316L-23-0524 to 316L-23-0524
OFFICE OF THE SPEAKER
THERESE M. TERLAJE

05-12-2023

Time: 6:21 pm
Received:

Re: Bill No. 17-37 (COR) - AN ACT TO ADD A NEW § 77103 TO ARTICLE 1 OF CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ENSURING FISCAL RESPONSIBILITY BY LIMITING THE TOTAL AUTHORIZED AMOUNT OF TAX CREDITS EACH YEAR TO THE AMOUNT SET ASIDE BY I LIHESLATURAN GUÅHAN AS THE GENERAL FUND RESERVE (DEFICIT REDUCTION/RAINY DAY FUND)

Bill No. 18-37 (COR) - AN ACT TO ADD A NEW § 77103 TO ARTICLE 1 OF CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING FOR THE RESPONSIBLE MANAGEMENT OF PUBLIC FINANCES BY IMPLEMENTING A TEN (10) - YEAR SUNSET PROVISION FOR ALL TAX CREDIT PROGRAMS

Hafa Adai Madame Speaker,

Bill Nos. 17-37 and 18-37 are consistent with our Administration's goal of implementing sound fiscal policy. Though I anticipate these bills will have relatively limited impact on our government finances, both bills take small steps in the right direction.

Bill No. 17-37 provides that new tax credits shall not exceed the annual set-aside for the Deficit Reduction/Rainy Day Fund. As Guam Economic Development Authority ("GEDA") officials proffered in their testimony, the Rainy Day Fund is not the best benchmark for a ceiling on tax credits. Tax credits are primarily authorized against the Business Privilege Tax, which GEDA believes may be a more appropriate and meaningful standard for a tax credit ceiling. In any event, as the Bureau of Budget and Management Research ("BBMR") indicated in its Fiscal Note, annual set-asides for the Rainy Day Fund far exceed the value of tax credits claimed every year. The impact of this bill is, therefore, likely negligible.

RECEIVED
5/17/23 9:12 am

To: Therese M. Terlaje, *Speaker*, 37th Guam Legislature
Fr: Lourdes A. Leon Guerrero, *Governor of Guam*
Date: May 12, 2023
Re: Bill No. 17-37 (COR) and Bill No. 18-37 (COR)

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Bill No. 18-37 establishes a ten-year universal sunset provision for tax credit programs. While establishing a blanket sunset provision in theory could help ensure these programs are properly managed, more recent legislation establishing credits already impose more specific sunset provisions. Further, as BBMR noted in its Fiscal Note, hastening the application of tax credits may impact available resources in affected fiscal years.

Noting these reservations, I acknowledge the Legislature's intent to further our administration's policy of fiscal responsibility, which has resulted in elimination of our government deficit.

For these reasons, I sign Bill Nos. 17-37 and 18-37 into law as ***Public Law 37-13*** and ***Public Law 37-14***, respectively.

Senseremente,



LOURDES A. LEON GUERRERO

Maga'hågan Guåhan
Governor of Guam

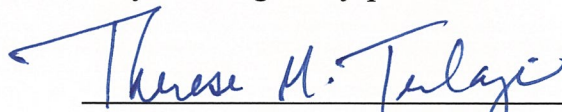
Enclosure: Bill No. 17-37 (COR) *nka P.L. No. 37-13*
Bill No. 18-37 (COR) *nka P.L. No. 37-14*

cc via email: *Honorable* Joshua F. Tenorio, *Sigundo Maga'låhen Guåhan*, Lt. Governor of Guam
Compiler of Laws

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2023 (FIRST) Regular Session

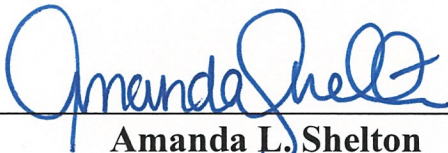
CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN*

This is to certify that **Bill No. 17-37 (COR)**, “AN ACT TO *ADD* A NEW § 77103 TO ARTICLE 1 OF CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ENSURING FISCAL RESPONSIBILITY BY LIMITING THE TOTAL AUTHORIZED AMOUNT OF TAX CREDITS EACH YEAR TO THE AMOUNT SET ASIDE BY *I LIHESLATURAN GUÅHAN* AS THE GENERAL FUND RESERVE (DEFICIT REDUCTION/RAINY DAY FUND),” was on the 28th day of April 2023, duly and regularly passed.



Therese M. Terlaje
Speaker

Attested:



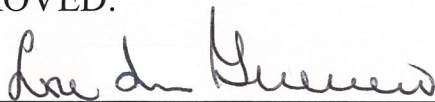
Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 1 day of May,
2023, at 12:48 o'clock pm.M.



Assistant Staff Officer
Maga'håga's Office

APPROVED:



Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 5/12/2023

Public Law No. 37-13

Evelyn Fejeran

2023-19186

RCVD AT CENTRAL I
MAY 1 '23 PM 12:49

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2023 (FIRST) Regular Session

Bill No. 17-37 (COR)

As amended by the Committee on Environment,
Revenue and Taxation, Labor, Procurement,
and Statistics, Research, and Planning.

Introduced by:

Telo T. Taitague
Joanne Brown
Sabina Flores Perez
Roy A. B. Quinata
Jesse A. Lujan
Chris Barnett
Frank Blas, Jr.
Christopher M. Dueñas
Thomas J. Fisher
Tina Rose Muña Barnes
William A. Parkinson
Joe S. San Agustin
Dwayne T. D. San Nicolas
Amanda L. Shelton
Therese M. Terlaje

**AN ACT TO *ADD* A NEW § 77103 TO ARTICLE 1 OF
CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED,
RELATIVE TO ENSURING FISCAL
RESPONSIBILITY BY LIMITING THE TOTAL
AUTHORIZED AMOUNT OF TAX CREDITS EACH
YEAR TO THE AMOUNT SET ASIDE BY *I*
LIHESLATURAN GUÅHAN AS THE GENERAL FUND
RESERVE (DEFICIT REDUCTION/RAINY DAY
FUND).**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that the budget impact of tax credit programs must be reflected in each annual
4 Government of Guam budget or the likelihood of a budget deficit is definite.

1 *I Liheslaturan Guåhan* further finds the budget impact of new tax credit
2 programs will also have an impact on the reduction of anticipated revenues for the
3 fiscal year that such programs commence particularly when such tax benefits were
4 not factored into the budget act.

5 It is the intent of *I Liheslaturan Guåhan* to (1) make sure that each existing
6 tax credit program is factored in to each budget and (2) that future tax credit
7 programs do not exceed the amount reserved in the Rainy Day Fund for situations
8 where excess or surplus revenues may be insufficient to cover the amount of these
9 tax benefit programs.

10 **Section 2.** A new § 77103 is *added* to Article 1 of Chapter 77, Title 12,
11 Guam Code Annotated, to read:

12 “§ 77103. **Ceiling on Tax Credit Programs.** Notwithstanding any
13 other provision of law, the fiscal year total amount of *new* tax credits
14 authorized by the Government of Guam shall not exceed the amount set aside
15 by *I Liheslatura* in the annual budget law as the General Fund Reserve (Deficit
16 Reduction/Rainy Day Fund). All existing tax credits for each fiscal year shall
17 be reflected in each annual General Appropriations Act (annual Government
18 of Guam Budget Act) as offsets to the applicable revenue source.”

19 **Section 3. Effective Date.** This Act shall become effective immediately.