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Bill to Reduce BPT for Small Businesses Passes Unanimously **TORRES' MEASURE HEADS TO ADELUP FOR SIGNATURE**

(Hagåtña—February 25, 2022) A measure to cut taxes for hundreds of Guam's small business owners received unanimous approval from lawmakers this afternoon.

Introduced by Senator Mary Camacho Torres, **Bill No. 202-36 (COR)** would permanently increase the revenue threshold, or the amount of gross receipts eligible, for a 3% Business Privilege Tax (BPT) rate instead of the full 5%.

Under current law, businesses are only eligible for the BPT reduction on the first \$250,000 of their gross receipts, provided their gross annual income is between \$50,000 and \$500,000 during the most recent tax year. Bill 202 will increase the threshold to the first \$500,000, doubling the gross receipts eligible for a reduction in taxes.

According to the Department of Revenue and Taxation, approximately 90% of Guam's 15,000 BPT filers report less than \$500,000 in annual revenue and are eligible for this exemption.

"At the height of this pandemic, one in four of our local businesses faced closure, leaving the backbone of our economy at risk of breaking," said Senator Torres. *"By permanently expanding the reduced BPT rate, Bill 202 will allow small business owners to keep more of their hard-earned money. I thank my colleagues for their support and ask our Governor to soon sign this into law."*

If enacted, the measure will go into effect on July 1st of this year.

For more information, please contact the Office of Senator Mary C. Torres at (671) 475-6279 or via email at senatormary@guamlegislature.org.

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