

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2020 (SECOND) Regular Session

Bill No. 319-35 (COR)

Introduced by:

Telo T. Taitague
Louise B. Muña
William M. Castro

AN ACT TO ADD A NEW § 26202.2 TO ARTICLE 2 OF CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED; TO ADD A NEW § 26203(k)(38) AND A NEW § 26203(k)(39) TO CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED; TO ADD A NEW § 28106(i) AND A NEW § 28106(j) TO CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED; TO CREATE THE INCOME TAX REFUND DEPOSIT FUND AND MAKING APPROPRIATIONS THERETO; TO AUTHORIZE TEMPORARY REDUCTIONS IN THE LEVELIZED ENERGY ADJUSTMENT CLAUSE (LEAC) RATES; AND, TO PROVIDE ADDITIONAL SUPPORT TO THE MARIANAS REGIONAL FUSION CENTER; ALL RELATIVE TO PROVIDING IMMEDIATE ECONOMIC RELIEF TO FAMILIES AND BUSINESSES AFFECTED BY THE COVID-19 PANDEMIC.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds
3 that as of March 23, 2020 there were twenty-nine (29) confirmed cases of COVID-
4 19 on Guam including one (1) COVID-19 related death. The rapid spread of
5 COVID-19 on Guam compelled *I Maga'håga Guåhan* to issue additional
6 guidelines per Executive Order 2020-05, mandating social isolation and
7 discouraging public movement unrelated to medical services and various supports

1 critical to Guam’s COVID-19 response efforts. Together with a significant
2 slowdown in tourism, the indefinite suspension of certain business activities and
3 reduction of work hours across the private-sector have led to furloughs and layoffs.

4 It is, therefore, the intent of *I Liheslaturan Guåhan* to provide families and
5 businesses with immediate economic relief during this unprecedented public health
6 crisis. This Act seeks to help stabilize the local economy by reducing the cost of
7 goods and services through a temporary reduction in the Business Privilege Tax
8 rate; by authorizing *i Maga’håga Guåhan* to expedite tax refund payments using
9 unappropriated FY 2019 revenue and funds received by *i Maga’håga Guåhan* as
10 reimbursement from the Federal Government for War Claims; and, by exempting
11 prescription medicines and certain medical supplies from the Business Privilege
12 Tax and Use Tax Laws of Guam. This Act also provides additional financial
13 support for families through reductions in LEAC rates for GPA’s fuel recovery
14 costs, and funding to support COVID-19 pandemic response activities facilitated
15 by the Marianas Regional Fusion Center.

16 **Section 2.** A new § 26202.2 is *added* to Article 2 of Chapter 26, Title 11,
17 Guam Code Annotated, to read:

18 **“§ 26202.2. Temporary Reduction of the Business Privilege Tax.**

19 Notwithstanding any other provision of law, the rate of the Business
20 Privilege Tax set forth in § 26202(a), § 26202(c), § 26202(d), § 26202(e), §
21 26202(f), § 26202(g), § 26202(h), § 26202(i), and § 26202(j) of this Chapter shall
22 be temporarily reduced from five percent (5%) to four percent (4%) effective April
23 1, 2020 and shall remain in effect until December 31, 2020. The Business Privilege
24 Tax rate shall automatically revert to five percent (5%) immediately thereafter.”

25 **Section 3. Creation of the Income Tax Refund Deposit Fund.**

26 There is hereby created the Income Tax Refund Deposit Fund as a special
27 fund of the Government of Guam. The fund is exclusively used for the purpose of

1 paying income tax refunds on Individual income tax returns filed in calendar year
2 2019 and prior years. The fund is not subject to any transfer authority of any
3 Government of Guam official. The fund shall sunset upon expenditure of
4 appropriations in Section 4 of this Act. Distributions of refunds due on A-status
5 error-free Federal Income Tax Individual returns shall commence within three (3)
6 days, Saturdays, Sundays and Government of Guam Holidays, excepted; of deposit
7 into the Income Tax Refund Deposit Fund. The Income Tax Refund Deposit Fund
8 is to be administered by the Department of Administration.

9 **Section 4. Appropriation of funds to the Income Tax Refund Deposit**
10 **Fund.**

11 Notwithstanding any other provision of law, the sum of Twenty Million
12 Dollars (\$20,000,000) is hereby appropriated from the unappropriated FY 2019
13 General Fund balance to the Income Tax Refund Deposit Fund. Additionally, all
14 funds that are received by *the Government of Guam* as reimbursement from the
15 Federal Government for War Claims paid pursuant to Public Law 35-61 are hereby
16 appropriated to the Income Tax Refund Deposit Fund.

17 **Section 5.** A new § 26203(k)(38) and a new § 26203(k)(39) are *added* to
18 Chapter 26, Title 11, Guam Code Annotated, to read:

19 “(38) Prescription medicines that the orders or prescription of licensed
20 healthcare professional that include intravenous fluids, syringes, surgical supplies
21 used in hospitals, surgical centers and clinics. Clinics, for purposes of this section,
22 are those operated by healthcare professionals licensed by the provisions of
23 Chapter 12, of Title 10, Guam Code Annotated.

24 Notwithstanding any other provision of law, the exemption authorized in this
25 section shall automatically repeal effective December 31, 2020.”

26 “(39) Pharmaceuticals and medicines that require a licensed healthcare
27 professional’s prescription that are dispensed directly to patients. Pharmaceuticals

1 include but syringes, home dialysis supplies, colostomy supplies and supplies used
2 to administer medication to home hospice patients.

3 Notwithstanding any other provision of law, the exemption authorized in this
4 section shall automatically repeal effective December 31, 2020.”

5 **Section 6.** A new § 28106(i) and a new § 28106(j) are *added* to Chapter
6 26, Title 11, Guam Code Annotated, to read:

7 “(i) Medical equipment, machines and appliances including beds and
8 examination/treatment chairs used in hospitals and clinics. Clinics, for purposes of
9 this section, are those operated by healthcare professionals licensed by the
10 provisions of Chapter 12, of Title 10, Guam Code Annotated.

11 Notwithstanding any other provision of law, the exemption authorized in this
12 section shall automatically repeal effective December 31, 2020.”

13 “(j) Pharmaceuticals and medicines that require a licensed healthcare
14 professional’s prescription that are dispensed directly to patients. Pharmaceuticals
15 include, but are not limited to, syringes, home dialysis supplies, colostomy supplies
16 and supplies used to administer medication to home hospice patients.

17 Notwithstanding any other provision of law, the exemption authorized in this
18 section shall automatically repeal effective December 31, 2020.”

19 **Section 7. Temporary Authorization to Approve Reductions in LEAC**
20 **rates for GPA’s Fuel Recovery Costs.**

21 Notwithstanding any other provision of law, *I Maga’håga Guåhan* is
22 authorized to approve recommendations by the Consolidated Commission of
23 Utilities for reductions of rates charged for fuel recovery costs under the Guam
24 Power Authority’s *Levelized Energy Assessment Clause (LEAC)* under the
25 following conditions:

26 (a) The Public Utilities Commission is unable to address Guam Power
27 Authority’s request for a reduction in the fuel recovery costs, or

1 (b) The Public Utilities Commission has not acted, within seven (7) calendar
2 days, on a petition filed by the Guam Power Authority/Consolidated Commission
3 of Utilities to reduce the fuel recovery cost rates.

4 This authorization does not apply to petitions to increases rates for fuel
5 costs. This authorization shall expire on December 31, 2020.

6 **Section 8. Marianas Regional Fusion Center.**

7 Notwithstanding any other provision of law, *I Maga'hågan Guåhan* is
8 authorized to transfer up to Five Hundred Thousand Dollars (\$500,000) as may be
9 available from FY 2020 General Fund appropriations to the Executive Branch, to
10 the Guam Homeland Security/Office of Civil Defense for the Marianas Regional
11 Fusion Center, for the purpose of strengthening emergency communications,
12 intelligence gathering and emergency response and preparedness. Any funds
13 transferred pursuant to this Act shall only be used for Fusion Center response
14 activities that are consistent with Executive Order 2020-03.

15 Specific needs of the Marianas Regional Fusion Center response shall be
16 determined by Guam Homeland Security/Office of Civil Defense. Any funds
17 transferred as authorized by this Act which are unencumbered at the time of
18 termination of the State of Emergency declared pursuant to Executive Order 2020-
19 03, shall revert to the General Fund. This authorization shall expire on December
20 31, 2020.