

*I Mina'trentai Singko Na Liheslaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
16-35 (COR)	James C. Moylan	AN ACT TO ADD §50212 OF ARTICLE 2, CHAPTER 50 OF TITLE 12 GUAM CODE ANNOTATED RELATIVE TO THE GUAM PRODUCT SEAL TAX EXEMPTION PROGRAM.	1/10/19 2:50 p.m.						

1 *I MINA'TRENTAI SINGKO NA LIHESLATURAN GUAHAN*  
2 **2019 (FIRST) Regular Session**  
3  
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5 **BILL NO: 16-35 (COR)**  
6

7 **INTRODUCED BY:**

James C. Moylan J.C.M.  
8  
9

10 **AN ACT TO ADD §50212 OF ARTICLE 2, CHAPTER 50 OF TITLE 12**  
11 **GUAM CODE ANNOTATED RELATIVE TO THE GUAM PRODUCT**  
12 **SEAL TAX EXEMPTION PROGRAM.**  
13

14 **BE IT ENACTED BY THE PEOPLE OF GUAM.**

15 **Section 1: Legislative Intent and Findings:**

16 *I Liheslaturan Guahan* find's that the Guam Product Seal (GPS) is a great  
17 program to help small entrepreneurs convert their talents into businesses.  
18 Furthermore, the GPS helps promote the island, its brand, the history,  
19 augments our culture, and can be a great appendage for tourism.  
20 However in order to encourage more island residents to secure the permit  
21 so that their talents can be transitioned into a small business, incentivizing  
22 is vital. The role of the government is to enhance opportunities for  
23 financial independence.

24 The program as designed in this legislation would only be applied for  
25 qualified recipients after the application of the Dave Santos Act, which is  
26 an existing business incentive for those entities that make less than \$50,000  
27 per year. Further, this is a program that would greatly benefit small to  
28 medium sized entities seeking to secure the GPS.

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1 Increasing GPS permits would also help encourage more incubator  
2 programs throughout the island, including allowing more tenants at the  
3 Guam International Airports Incubator Program. Further, to avoid and  
4 financial impacts towards the Fiscal Year 2019 budget and expenses, if  
5 enacted, this act shall go into effect at the start of Fiscal Year 2020.

6 **Section 2: §50212 of Article 2, Chapter 50, Title 12 Guam Code Annotated**  
7 **is hereby *added* to read as follows:**

8 **“§50212 Guam Product Seal Tax Exemption Program**

9 (a) Notwithstanding any other provisions of the law, a business with a  
10 Guam Product Seal permit shall be entitled to up to One Thousand  
11 Dollars (\$1,000) of a tax exemption of business privilege taxes per  
12 taxable year on the earned or received gross income from retailing  
13 items under the Guam Product Seal Permit. The tax exemption shall  
14 apply annually, commencing at the first day of the month of the new  
15 tax year, and shall end on the last day of the last month of the same  
16 tax year, and as long as the business maintains a Guam Product Seal  
17 permit and a valid Guam Business License.

18 (b) The exemption of business privilege taxes outlined in §26203(k)(9),  
19 (28)(A), (28)(B), (29), (30), (31), and (32) of Article 2, Chapter 26, Title  
20 11, Guam Code Annotated, shall be applied first, followed by the  
21 application of the *Guam Product Seal Tax Exemption Program*.

22 (c) The Department of Revenue and Taxation (DRT) shall provide the  
23 procedures and applications to allow qualified businesses to claim  
24 the *Guam Product Seal Tax Exemption Program*.

25 (d) The Guam Economic Development Agency (GEDA) shall implement  
26 and monitor the *Guam Product Seal Tax Exemption program*

1 authorized pursuant to this article based on rules and regulations  
2 already adopted by GEDA for previous tax credit programs.

3 (e) GEDA shall appropriate at least Twenty Percent (20%) of the Guam  
4 Product Seal Fund annually towards the promotion of the *Guam*  
5 *Product Seal Tax Exemption Program.*

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7 **Section 3. Effective Date.** This Act *shall* be effective on October 1, 2019.  
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9 **Section 4: Severability.** If any provision of this Act or its application to  
10 any person or circumstances is found to be invalid or contrary to law, such  
11 invalidity *shall* not affect other provisions or applications of this Act that  
12 can be given effect without the invalid provision or application, and to this  
13 end the provisions of this Act are severable.