



September 4, 2018

GDRT Announcement 2018-04 - Enforcement of amended Tobacco Tax rates pursuant to Section 4, Chapter I of P.L. 34-116, amending Subsections (a), (b), and (c) of §26603, Article 6, Chapter 26 of Title 11 Guam Code Annotated.

Purpose

This announcement is to provide guidance to any person engaged in a trade or business, including a corporation, partnership, individual, estate, and trust, who are engaged in the manufacture or production in Guam, or importation into Guam, of any tobacco products, particularly with regards to tobacco tax rates increase.

Background

Public Law 34-116, Chapter I, Section 4, amending Subsections (a), (b), and (c) of §26603, Article 6, Chapter 26 of Title 11 Guam Code Annotated, effectuated an increase in tobacco tax rates, **effective August 24, 2018.**

Tobacco tax is levied, assessed and collected, upon every business engaged in the manufacture or production in Guam, or importation into Guam, of any tobacco products, in addition to all other applicable taxes. Tobacco tax is also levied upon, assessed and collected from every business purchasing tobacco products in Guam for resale if no tax had been paid upon said tobacco products.

Guidance to all affected entities:

Please review subsections (a), (b), and (c) of §26603, Article 6, Chapter 26 of Title 11 Guam Code Annotated, as amended by Section 4, Chapter 1 of P.L. 34-116.

	Effective Rates prior to August 24, 2018	Effective Rates starting August 24, 2018
Line 30. Cigarettes	\$15.00 per 100 cigarettes	\$20.00 per 100 cigarettes
Line 31. Cigars (Mini)	\$0.40 per cigar	\$0.53 per cigar
Line 32. Cigars (Standard)	\$0.44 per cigar	\$0.58 per cigar
Line 33. Cigars (Large)	\$0.50 per cigar	\$0.66 per cigar
Line 34. Cigars (Others)	\$0.44 per cigar	\$0.58 per cigar
Line 35. Cigars (Prior to March 24, 2000)	40% of cost	40% of cost
Line 36. Others (Other Tobacco Products)	\$40.00 per lb.	\$53.00 per lb.

Effect on other guidance:

Filing with the amended tobacco tax rate will begin for **tax period August 2018.** Please be mindful of all related deadlines.

Contact information

Any questions regarding this announcement may be sent by e-mail to abigail.reyes@revtax.guam.gov