

Guam Department of Revenue and Taxation
SUPPLEMENTAL TAX FILING & PAYMENT INFORMATION
U.S. Federal Government Contractor Conducting Business in Guam

I. GUAM TAX RETURN FORMS:

- Guam Income Tax return, as applicable to your business entity's classification whether domestic or foreign to Guam for income tax purposes, such as:
 - Form 1120, *Guam Corporation Income Tax Return*, or
 - Form 1120-F, *Guam Income Tax Return of a Foreign Corporation*, or
 - Form 1065, *Guam Return of Partnership Income*, or
 - Form 1120-S, *Guam Income Tax Return for an S Corporation*
- Monthly Business Privilege Tax (BPT) Returns as applicable to your Guam business activity;
 - Form GRT-ONLINE, *Monthly Gross Receipts, Use, Occupancy Liquid Fuel, Automotive Surcharges, Tobacco and Alcoholic Beverages Tax Return (E-filed Return)*
- Employer Wage Statements for Guam based employees, which include:
 - Form W-1, *Employer's Quarterly Guam Tax Return*
 - Form 500, *Guam Depository for Income Tax Withheld on Wages*
 - Form W-3SS/W-2, *Guam Wage and Tax Statement Transmittal*
 - Form SW-2, *Employer Quarterly State Wage Report*

RELATED SOURCES:

- <https://www.guamtax.com>
- <https://www.irs.gov>
- <http://www.guamcourts.org/CompilerofLaws/index.html>

II. TAXPAYER FILING and PAYMENT SERVICE INFORMATION:

If you received this reference with a notice from Guam Department of Revenue and Taxation's Compliance Task Force: Federal Contractors, please proceed as instructed therein or email Examination@revtax.guam.gov as soon as possible. See below for more information.

- **E-Filing Services:** To avail of the online services for filing and payment, you must apply for an account at <https://www.guamtax.com>.
 - For Business filers, select "Register Now" under the Business Login section of our webpage.
 - For Individual filers, click on the "Individual Online Services" icon which will take you to <https://www.myguamtax.com>; here you select "Register Now" to complete your Individual account registration.
- **Income Tax:** For questions regarding services, please e-mail IncomeTax@revtax.guam.gov.
- **Business Privilege Tax:**
 - Effective on **March 1, 2021**, all BPT Returns are required to be filed electronically at <https://www.guamtax.com> in accordance with Public Law 35-199.
 - All new electronic filers must register for an account on <https://www.guamtax.com> to electronically file their BPT returns beginning on **March 1, 2021**. All current electronic filers **must** re-register for a new account profile wherein you will be able to access previously e-filed returns and other online account history.
 - For questions regarding services, please e-mail BPT@revtax.guam.gov.
- **Tax Payment Options:**
 - Acceptable methods of payment are as follows:
 - Personalized Checks;
 - U.S. Money Orders;
 - U.S. Cashier's Checks
 - Credit Cards from a U.S. Banking or financial institution for DRT registered online accounts.
 - Credit Card Payment option is accessed through your Online Business Account Login at <https://www.guamtax.com> or Individual Account Login at <https://www.myguamtax.com>. Government of Guam accepts and processes online payments through these and through <https://pay.guam.gov>.
 - Check/Money Order Payments must be made payable to the "*Treasurer of Guam*"
 - WALK-IN or DROP BOX: Send-in to any of the following physical addresses:

Department of Revenue and Taxation 1240 Army Drive, Barrigada, Guam 96913	Department of Administration Treasurer of Guam Cashier ITC Building Suite 224, 1st Floor 590 S Marine Corps Drive Tamuning, Guam 96913
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 - MAIL-IN to any of the following mailing addresses:
Department of Revenue and Taxation
P.O. Box 23607 GMF
Barrigada, GU 96921

IMPORTANT: DO NOT mail-in *Cash*, or send in payments using *Foreign Money Order* and/or *Foreign Cashier's Check*.

Guam Department of Revenue and Taxation
SUPPLEMENTAL GUIDANCE & INFORMATION
U.S. Federal Government Contractor Conducting Business in Guam

I. GENERAL: Business License and Registration Information:

For purposes of this general guidance and informational publication, *License* is defined in the Guam Code Annotated (GCA):

11 GCA, Chapter 70 General Provisions: The permission granted by the Government of Guam, under the authority of the Department of Revenue and Taxation, Regulatory Division, Business License Branch, to the licensee the right to engage in a business or to practice a trade or a profession which without such authorization and permission would be illegal; it shall also, when the context so requires, mean and include the written evidence of such permission.

Independent Contractors, Individuals, Business owners, and Firms interested in engaging in business in Guam are required to obtain a Guam business license from the Department of Revenue and Taxation's General Licensing and Registration Branch **before** beginning business operations which is renewable annually. General categories include but are not limited to Service, Wholesale, Retail, Personal or Commercial Rental Property within Guam and Other for Banking, Coin Vending, Home Industry, Hand Manufacturers, etc.

As a requisite, entities of professional services must have their licenses approved and issued by their respective professional boards in Guam. These include professions under Health, Cosmetology, Certified Public Accountants, Attorneys, Real Estate, Securities, Construction and/or related contractor professions such as Engineers, Architects, Surveyors (See *Contractor* below for additional requirements and information for *Certificate of Authority*).

RELATED SOURCES:

Title 11, GCA, Division 3 - Finance & Taxation, Business License Law:

<http://www.guamcourts.org/CompilerofLaws/GCA/title11.html>

<http://www.guamcourts.org/CompilerofLaws/GCA/11gca/11gc070.PDF>

<http://www.guamcourts.org/CompilerofLaws/GCA/11gca/11gc072.PDF>

<http://www.guamcourts.org/CompilerofLaws/GCA/11gca/11gc074.PDF>

<http://www.guamcourts.org/CompilerofLaws/GCA/11gca/11gc076.PDF>

<http://www.guamcourts.org/CompilerofLaws/GCA/11gca/11gc078.PDF>

<https://www.govguamdocs.com/revtax/docs/FormBL-01InstructionswithApplicationandQuestionnaire11192020.pdf>

https://www.guamtax.com/help/help_biz.html

II. CONTRACTOR: Registration and Business License Requirements:

In general, all contractors doing business on Guam are required to be licensed with the Guam Contractors License Board (CLB). An *exception* to this general rule is permitted in the case of a foreign or an off-island contractor doing work *exclusively* on military installations on Guam. The *Guam Attorney General's Opinion, CLB 93-0543*, dated June 17, 1993 states that with the exception of domestic contractors, contractors with contracts *exclusively* on military installations are not required to obtain a contractor's license with the CLB. However, if you are a foreign or off-island contractor (whether or not you will be performing work exclusively on military installations), you are required to first register or apply for a *Certificate of Authority* with the Guam Department of Revenue and Taxation's (DRT) General Licensing and Registration Branch.

If you are a foreign or off-island contractor who is not required to obtain a contractor's license from Guam CLB as described above, you are required to obtain a business license from DRT's *General Licensing and Registration Branch* before you begin a project. If you later decide to expand your contracting business to the local community (outside military installations) you will then be required to obtain a contractor's license from the Guam CLB.

III. Income Tax Requirements

Guam has its own territorial income tax system based on the Internal Revenue Code, except that the words “United States” are replaced with “Guam” where appropriate. This mirror system of taxation remains in effect until an implementation agreement between Guam and the United States goes into effect. As a contractor doing business on Guam, you are required to report and file a Guam Income Tax Return. If you are a (domestic) corporation incorporated under the laws of the Territory of Guam, you are required to file Form 1120. If you are a Foreign (not incorporated under Guam laws) corporation registered with DRT, you are required to file Form 1120F to report your Guam-sourced income and expenses.

IV. Business Privilege Tax Requirements

Under the GCA, Section 26201, Article 2, Chapter 26 of Title 11, a Business Privilege Tax (BPT) is levied, assessed and collected against the persons on account of their businesses and other activities in Guam. The BPT is calculated by the application of rates against the person’s gross proceeds of sales or gross income derived from their business activities on Guam. Under the current BPT law, you are required to file a monthly Gross Receipts Tax (GRT) Return (Form GRT-ONLINE) based on the period the income was received or accrued (depending on your accounting method). The method of reporting and the applicable percentage rate under the BPT laws have changed in recent years:

- From April 01, 2018 to Present, the tax rate increased to five percent (5%). The return (Form GRT-1) is required to be filed on a monthly basis and payment of the tax is due on the twentieth (20th) day of the following month.
- From April 01, 2004 to March 31, 2018, the tax rate decreased to four percent (4%). The return (Form GRT-1) was required to be filed on a monthly basis and payment of the tax is due on the twentieth (20th) day of the following month.

All persons or contractors conducting business on Guam, including any business that has contracts with the U.S. Federal Government on Guam, are subject to the BPT on the gross receipts derived from their business activity. Effective March 1, 2011, Guam Public Law 30-230 requires that the Prime Contractor report and pay all BPT on the contract. For purposes of computing the BPT as a Contractor GCA §26202(e) Tax on Contractors, states that

There shall be levied, assessed and collected a tax rate of five percent (5%) measured against the gross income of any contractor; provided, that there shall be deducted from the gross income of the taxpayer so much thereof as has been included in the gross income earned from another taxpayer who is a contractor as defined in § 26101(b) and who has already paid the tax levied under this Subsection for goods and services that include the deductible gross income of the taxpayer who is a contractor; provided, that any person claiming a deduction under this Subsection shall be required to show in the person's return either the name and the contractor's license number issued by the Guam Contractors License Board, or the Guam business license number, or the registration number for a professional engineer, architect or land surveyor, or the Certificate of Authorization (COA) number for a business authorized to provide engineering, architecture or land surveying services by the Guam Board of Registration for Professional Engineers, Architects, and Land Surveyors of the person paying the tax on the amount deducted by the person.

The Business Privilege Tax laws also provide certain exemptions for purposes of computing the taxable amount of gross receipts subject to BPT. Please refer to GCA §26203 for exemptions that may apply.

RELATED SOURCES:

<https://www.guamtax.com/> Refer to *Business E-Services* section.

<https://www.guamtax.com/grt/>

<https://www.guamtax.com/app/register.do>

https://www.guamtax.com/help/help_grt.html

V. Use Tax Requirements

Contractors may also be responsible for paying Guam use tax on the importation of any tangible personal property (i.e., equipment) to be used or consumed by the contractor in the performance of the contract or brought for the exclusive use on the military installation. The use tax shall be imposed on construction equipment for the performance of a construction contract pursuant to GCA §28105(g). Pursuant to GCA §28103, Chapter 28, Title 11, a use tax is levied and shall be paid and collected at a rate of 4% of the landed value of the imported property to Guam. The use tax is payable upon the importation of any property. The use tax is not applicable to items imported for resale.

RELATED SOURCE:

<http://www.guamcourts.org/CompilerofLaws/GCA/11gca/11gc028.PDF>

VI. Payroll Tax Requirements

Generally, if you have employees that are Guam based (i.e., bona fide residents of Guam), employers are required to file the following employment tax returns:

1. File a quarterly return on Form W-1, *Employer's Quarterly Guam Tax Return*, to report salary and wage withholding taxes to **Guam DRT**.
2. Remit the withholding taxes (on a monthly or semi-weekly basis, as applicable) using Form 500, *Guam Depository Receipt*, with the **Treasurer of Guam**. An original copy of Form 500, which has been validated by DRT, must be submitted with Form W-1.
3. File a quarterly return on Form SW-2, *Employer Quarterly State Wage Report*, to report quarterly wages and federal income taxes withheld with **Guam DRT**. Guam DRT is designated as the State Wage Information and Collection Agency (SWICA) pursuant to 11 GCA §41102.
4. File an annual Form W-3SS, *Guam Transmittal of Wage and Tax Statements*, and Form W-2GU, *Guam Wage and Tax Statement*, with **Guam DRT**.
5. File a quarterly return using Form 941SS, *Employer's Quarterly Federal Tax Return* and remit Social Security and Medicare taxes (FICA) withheld from Guam based employees using Form 8109, *Federal Tax Deposit Coupon*, to the **U.S. Internal Revenue Service**.

RELATED SOURCES:

W-1 https://www.guamtax.com/help/help_w1.html
<https://www.guamtax.com/efile/w1.html>
<https://www.govguamdocs.com/revtax/docs/FormW1Employer%27sQuarterlyTaxReturn.pdf>

Form 500 https://www.govguamdocs.com/revtax/docs/F500winstructions_201102.pdf

SW-2 / SWICA https://www.guamtax.com/help/help_swica.html
https://www.guamtax.com/info/SWICA_Booklet.pdf
<http://www.guamcourts.org/CompilerofLaws/GCA/11gca/11gc041.PDF>

W-2 / W-3 https://www.guamtax.com/help/help_w2w3.html

VII. Reporting Cash Payments of Over \$10,000 Requirement

Title 26 and Title 31 of the Guam Territorial Income Tax Code require that you file Form 8300, "Report of Cash Payments Over \$10,000 Received in a Trade or Business", if your business receives more than \$10,000 in cash from one buyer as a result of a single transaction or two or more related transactions. Dual reporting of this information will now be made to both DRT and the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN). For more information regarding Form 8300, visit the IRS website at www.irs.gov.

OTHER RELATED SOURCES:

https://www.govguamdocs.com/revtax/index_revtax.htm
<https://www.guamtax.com/help/index.html>
<https://www.guamtax.com/forms/index.html>
https://www.guamtax.com/info/GuamTaxLawBook_revised0307.pdf
<http://www.guamtax.com/info/structure.html>
<https://www.irs.gov/>