



GUAM DEPARTMENT OF REVENUE AND TAXATION (GDRT)

April 17, 2018

Announcement 2018-01

“GDRT Requirements relative to the Business Privilege Tax rate Increase from the passage of P.L. 34-87,”

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Purpose

This announcement is to provide guidance to all Guam Taxpayers, to include the reporting, exempting, and payment of the Business Privilege Tax.

Background

Public Law 34-87 amended § 26202 of Article 2, Chapter 26, Title 11 of the Guam Code Annotated. This amendment temporarily allows the increase of the Business Privilege Tax from four percent (4%) to five percent (5%). Annotated in Section 14 of P.L. 34-87 is an exemption to this increase for those contracts that meet the following conditions;

- Contracts entered into or awarded prior to enactment of P.L. 34-87, which were based upon bid awards made prior to passage of this public law and that cannot be amended or renegotiated to accommodate the business privilege tax increase and the general sales tax; and
- Contracts entered into or awarded after enactment of P.L. 34-87, which were based upon bids or proposals submitted prior to enactment of this public law and that cannot be amended or renegotiated to accommodate the business privilege tax increase and the general sales tax.

Pursuant to Section 19 of P.L. 34-87, the effective date to begin this increase is on April 1, 2018 with a sunset provision on September 30, 2018.

Guidance to Government of Guam Agencies

GDRT's Prescribed Form

Guam Department of Revenue and Taxation's (GDRT's) utilization of GRT-1 to report and pay the Business Privilege Tax will remain in place to report and pay for tax periods prior and after the increase.

Tax Form GRT-1 = Report used for Tax Periods before April 2018 and after September 2018.

GDRT has created and prescribed 2 new tax forms that will account for 6 months in 2018, namely April, May, June, July, August, and September of 2018.

1. Tax Form GRT-1-5P = Report used for tax periods April, May, June, July, August and September of 2018.
2. Tax Form 3487 = Report used to account for Contract information claimed as exempt from the tax increase.



Taxpayers claiming an exemption on Tax Form 3487 must submit this claim concurrently with their monthly tax filings. Online filing of Tax Form 3487 will not be available, so all claims must be through paper submission.

Effect on other guidance

Tax Form 3487 will be used for the Exemption on the General Sales Tax (GST). GST is scheduled to take effect on October 2018.

Contact information

Any questions regarding this announcement may be sent via e-mail to Lawrence.Terlaje@revtax.guam.gov.