CHAPTER 58
QUALIFYING CERTIFICATES

2025 NOTE: Pursuant to 5 GCA § 1510, I Maga'hågan/Maga'låhen Guåhan means the "Governor of Guam" and I Maga'håga/Maga'låhi means the "Governor." Pursuant to 2 GCA § 1101, I Liheslatura/Liheslaturan Guåhan means the "Legislature"/"Guam Legislature."

2015 NOTE: Pursuant to P.L. 32-233:2 (Dec. 31, 2014) adding a new Article 2 to this Chapter, the Compiler designated a new Article 1 entitled "Qualifying Certificate Program" for the existing provisions (§§ 58100-58147.3) in this Chapter.

Prior publications of the GCA included the following note from the previous Compiler:

> **NOTE:** This entire Chapter was amended, first by P.L. 22-81 and now by P.L. 22-159, the latter dated 12/29/94. It is understood that P.L. 22-81 was an invalid act because the version signed by the Governor was not the same version passed by the Legislature. The Legislature transmitted the wrong version to the Governor in error. P.L. 22-159 has not been questioned. P.L. 22-159 amended this Chapter as 12 GCA Article 4 in its entirety, and, as amended, is reproduced here.

Article 1 Qualifying Certificates Programs
Article 2 Special Qualifying Certificate; 1,600 Hotel Rooms Development
Article 3 Special Qualifying Certificate Åkton GUMA (Group Use Manåmko Accommodations) Incentive Act

ARTICLE 1
QUALIFYING CERTIFICATES PROGRAMS

2022 NOTE: The qualifying certificate program was created with the establishment of the Guam Economic Development Authority by P.L. 8-080 (Aug. 21, 1965), which added a new Title LIV of the Government Code. During Sixteenth Guam Legislature, the Compiler announced that Title 12 – Autonomous Agencies had been added to the new, permanent Guam Code Annotated. *See* 5 Guam Sess. L. Introduction (Apr. 1983). As part of this recodification, statutes governing the qualifying certificate program were located in Article 4 of Chapter 2 (Guam Economic Development Authority), Title 12 GCA. However, the Compiler later transferred the various articles in Chapter 2. *See* NOTE to Chapter 50, Title 12 GCA. Consequently, the Qualifying Certificate Programs are currently codified in Chapter 58, Title 12 GCA.

§ 58100. Legislative Findings and Intent.
§ 58100.1. Designation of Qualifying Certificate Program.
§ 58101. Qualifying Certificate Defined.
§ 58102. Beneficiary Defined.
§ 58103. Benefits of a Qualifying Certificate.
§ 58104. Eligibility Defined.
§ 58105. Promotion of General Economic Improvement.
§ 58106. Qualifying Certificate: Issuance of.
§ 58107. Qualifying Certificate: Nature of; Benefits.
§ 58108. Qualifying Certificate: Regulations.
§ 58109. Authority's Findings on Applications.
§ 58110. Conditions of Benefits.
§ 58111. Grounds for Suspension, Rescission or Revocation.
§ 58112. Hearing Required.
§ 58113. Retroactive Suspension.
§ 58114. License Required.

COL 2026-10-26

§ 58115. Conflicts of Interest.
§ 58116. Employment of United States Citizens and Permanent Residents
§ 58117. Employment of United States Citizens and Permanent Residents: Work Force.
§ 58118. Employment of United States Citizens and Permanent Residents: Wages.
§ 58119. Employment of United States Citizens and Permanent Residents: Trainees.
§ 58120. Participation in Training Programs.
§ 58121. Qualifying Certificate: Non-transferable.
§ 58122. Application for Qualifying Certificates.
§ 58123. Monthly Reports.
§ 58124. Publication of All Applications for Qualifying Certificates.
§ 58125. Notice of Hearing on Applications.
§ 58126. Recommendations.
§ 58127. Tax Abatements.
§ 58127.1. Property Taxes.
§ 58127.2. Rental of Land, Building or Equipment.
§ 58127.3. Sale of Alcoholic Beverages.
§ 58127.4. Sale of Petroleum Products.
§ 58127.5. Insurance Premiums.
§ 58127.6. Development of Affordable Housing.
§ 58128. Tax Rebates.
§ 58128.1. Income Tax Rebate.
§ 58128.2. Variable Rates.
§ 58128.3. Determination of Income.
§ 58128.4. One Hundred Percent Rebate on Certain Insurance Income.
§ 58128.5. One Hundred Percent Rebate on Income from Constructing Affordable Housing.
§ 58128.6. One Hundred Percent Rebate on Certain Trust Income.
§ 58128.7. Development of Fewer than Twenty-five (25) Affordable Housing Units.
§ 58128.8. Unpledged Business Privilege Tax Rebate on Medicaid Receipts.
§ 58129. Taxability of Abatements and Rebates: Legislative Intent.
§ 58130. Income Tax Rebate on Dividends.
§ 58131. Income Tax Rebates for Shareholders of a “Subchapter S” Corporation and Members of a Limited Liability Partnership and Limited Liability Company.
§ 58132. Modification of Tax Benefits.
§ 58133. Extended Term.
§ 58134. Acknowledgment of Benefits by Tax Commissioner.
§ 58135. Procedure to Claim Abated and Rebated Taxes.
§ 58136. Abatement of Tax.
§ 58137. Rebate of Tax.
§ 58138. Rebate Fund.
§ 58139. Tax Redeterminations.
§ 58140. Implementation by Tax Commissioner.
§ 58141. Limited to Government of Guam Taxes.
§ 58142. Investment of Abated or Rebated Tax in Guam.
§ 58143. Fees.
§ 58144. Extraordinary Costs.
§ 58145. Periodic Adjustment of Fees.
§ 58146. Rule-making Authority.
§ 58146.1. Qualifying Certificate; Abeyance Thereof. Development of Industry Specific Policy, Regulations, Criteria and Measurable Goals.

COL 2026-10-26

§ 58147. Development of Circular Economy and Environmental Sustainability Activities.
§ 58147.1. Tax Benefits Authorized.
§ 58147.2. Waiver of Docking and Stevedoring Fees.
§ 58147.3. Definitions.

§ 58100. Legislative Findings and Intent.

(a) I Liheslatura recognizes that the Qualifying Certificate program of the Guam Economic Development Authority (the Authority) was conceived as an economic incentive tool to entice investors into Guam. In use for over two decades, it has had substantial positive impact upon the economic development of Guam, mainly in the tourist industry.

(b) I Liheslatura finds that, today, new hotel construction, expansion of existing ones, and development of resorts are occurring in response to demands for additional lodging due to the ever-increasing numbers of visitors to Guam and that government assistance in the form of tax rebate and abatement benefits requires periodic assessment of the growth in this section of Guam's business community.

(c) Investment by foreign entrepreneurs continues to be major catalyst for Guam's financial growth. The bulk of their interests, however, lies in large-scale projects that mainly benefit other off-island investors, transients mostly, and which also put undue pressure on the island's infrastructure to expand and meet their needs, depleting rapidly Guam's finite essential resources such as people, land and water. While Guam acknowledges their contributions to the island's welfare in terms of taxes, construction, and employment opportunities on the low end of the pay scale, meaningful participation by people who live and work in Guam, particularly in terms of ownership and joint ventures, has been sorely lacking.

(d) It is I Liheslatura's intent to restructure the Qualifying Certificate program to assist U. S. citizen and permanent resident entrepreneurs in establishing or expanding industries and services industries and services, including those supportive of hotels and their guests, to diversify the island economy, enrich its growth, and enhance the quality of life in Guam. I Liheslatura affirms that the program must be expanded to attract investments in order to diversify Guam's economy.

2025 NOTE: Subsection designations added pursuant to the authority of 1 GCA § 1606. References to the "Legislature" replaced with I Liheslatura pursuant to 2 GCA § 1101.

2022 NOTE: References to "territory" replaced with "Guam" pursuant to 1 GCA § 420.

§ 58100.1. Designation of Qualifying Certificate Program.

This Chapter shall be known as the "Frank D. Perez Economic Revitalization and Enhancement Zone Act."

SOURCE: Added by P.L. 25-169:2 (Oct. 19, 2000).

§ 58101. Qualifying Certificate Defined.

A "Qualifying Certificate" is a contract valid for a given period of time, executed by I Maga'håga/Maga'låhi upon recommendation of the Authority, between the government of Guam and the Beneficiary, which has qualified for certain tax rebates or tax abatements or for both in return for meeting certain employment, investment, and other requirements as described in this Chapter and in the Qualifying Certificate.

2025 NOTE: Reference to the "Governor" replaced with I Maga'håga/Maga'låhi pursuant to 5 GCA § 1510.

§ 58102. Beneficiary Defined.

The recipient of a Qualifying Certificate shall be known as a "Beneficiary."

COL 2026-10-26

§ 58103. Benefits of a Qualifying Certificate.

A Qualifying Certificate shall entitle the Beneficiary to tax rebates or tax abatements or both in return for meeting the conditions and requirements prescribed by the Authority in this Chapter and in the Qualifying Certificate.

§ 58104. Eligibility Defined.

A Qualifying Certificate shall only be issued to the following entities: Any trust, partnership, sole proprietorship, Limited Liability Partnership (LLP), Limited Liability Company (LLC), or corporation formed under the laws of Guam, or possessions corporation as defined in § 58106 of this Chapter, engaged, or about to engage in any of the following activities, and in the following order of priority:

(a) The establishment of industries and activities that support current initiatives associated with the preservation and protection of Guam's natural resources, also known as green technology. Such industries and activities shall include, but not be limited to, energy efficiency, renewable energy and environmental cleanup. For the purposes of this Section, "renewable energy" is energy which comes from natural resources such as sunlight, wind, rain, tides, and geothermal heat, and other forms of electrical power generation which are renewable (naturally replenished);

(b) The manufacture, distribution and sale of non-petroleum based fuels that include, but are not limited to, biofuels such as biodiesel and ethanol and hydrogen fuels.

(c) agriculture;

(d) aquaculture;

(e) mariculture;

(f) manufacturing, or a processing trade company, or a distribution, transformation, or fulfillment center.

For the purposes of this Chapter:

(1) "processing trade company" means a company that imports all or part of the raw and auxiliary materials, parts and components, accessories, and packaging materials from abroad, and exports the finished product(s), or sells the products locally, after processing, transforming, or assembling such product(s) on Guam. At least fifty percent (50%) of the finished product shall be assembled on Guam to qualify for the incentives of this Chapter; and

(2) "distribution, transformation, or fulfillment center" means a warehouse or specialized building stocked with products to be redistributed to consumers locally or off-island and processed to order completion. The distribution, transformation, or fulfillment center may provide other services, such as product mixing, cross docking, and packaging.

Finished products must qualify for the Guam Product Seal pursuant to Public Law 18-042. Should there be any additional costs for GEDA in evaluating this requirement, the Qualifying Certificate holder shall bear such costs.

(g) commercial fishing;

(h) services;

(i) tourism;

(j) improvement of real property for purposes which are specifically determined by the Authority to be beneficial, desirable, and necessary for the economic development of Guam;

COL 2026-10-26

(k) insurance issuance, either by commercial insurers, reinsurers, or captive insurers which meet the requirements of Title 22, GCA, Chapter 15, Article 3;

(l) export trading company, as defined in Title 11, GCA, § 26101 (d), if the main office of the export trading company is established on Guam;

(m) producing water or disposing of wastewater, or both, jointly with the Guam Waterworks Authority;

(n) operating on a military base on Guam a Base Operating Service Contract;

(o) a small business entity operating on a military base on Guam, a Base Operating Service contract, or as a subcontractor to a BOS Contractor; and

(p) a global internet infrastructure services company(ies) providing internet connectivity and co-location facilities, and its/their tenant-sellers in the sales of goods, services and information over the internet; provided that:

(1) the seller is legally established in and operates from Guam;

(2) the sale does not include the local sale of goods, services and information;

(3) the sale is conducted exclusively through the internet; and

(4) the seller does not sell or distribute in any fashion material that is harmful to minors, as that term is defined in the Internet Tax Freedom Act, a part of the Omnibus Appropriations Act of 1998, Public Law Number 105-277. For the purposes of this Subsection, a "minor" is a person under the age of eighteen (18) years.

(q) a business with at least Five Million Dollars ($5,000,000) of unrepatriated profits earned by at least one (1) foreign subsidiary of such business.

(1) Such business' only benefit for a Qualifying Certificate issued under this Subsection shall be a rebate of income tax, as provided in § 58128.1 of this Article, which shall apply solely to profits repatriated or deemed repatriated from any foreign subsidiaries of such beneficiary.

(2) A business covered under this Subsection shall not be eligible for benefits under §§ 58127, 58127.1, 58127.2, 58127.3, 58127.4, 58127.5, or 58127.6 of this Article, unless such business is qualified for, applies for, and is granted a separate Qualifying Certificate under a different Subsection of this Section.

(A) Third (3rd)-party agents licensed to do business on Guam are hereby authorized to facilitate transactions with the government of Guam on behalf of or as representatives of repatriating entities, subject to legal authorization thereto, relative to any repatriation pursuant to this Subsection for total fees not to exceed one percent (1%) of any amounts repatriated with such fees paid by the repatriating entity, net of applicable taxes.

(B) Any entity handling primary financial transactions relative to any repatriation pursuant to this Subsection shall be licensed to do business on Guam.

(C) A one percent (1%) surcharge shall be further assessed on repatriated amounts net of applicable taxes, for remittance to the state or territorial treasury of corporate domicile of the repatriating entity, or such state or territorial corporate domicile held prior to any repatriation under this Subsection if such corporate domicile was established on Guam for the purposes of this Subsection.

COL 2026-10-26

(r) circular economy commercial activities that promote environmental sustainability, recycling, and remanufacturing and refurbishment of recyclable materials, and that achieve the goal of reducing the creation of waste or facilitating the continual use and reuse of resources on Guam. This shall include activities of duly licensed and permitted recycling companies, as well as companies engaged in the transshipment of recyclable materials to a recycling center outside of Guam that comply with all applicable requirements contained in this Article.

(s) commercial drone industry.

For the purposes of this Subsection:

(1) "Commercial drones" are defined as unmanned aerial vehicles (UAV) or unmanned aircraft systems (UAS), which can be flown, remotely-controlled, or fly autonomously through software-controlled flight plans in their embedded systems, working in conjunction with onboard sensors and GPS.

(2) The commercial drone industry shall encompass the research, development, training, education, manufacturing, wholesale, retail, or the utilization in logistics of commercial drones conducted on Guam.

(3) To avail of a Qualifying Certificate under this Chapter, the beneficiary shall be legally licensed to conduct business on Guam, and any benefits awarded by the Guam Economic Development Authority (GEDA) shall only be utilized on direct business activities associated with the use of commercial drones.

(4) The beneficiary shall conform with all local and federal laws and regulations associated with the use of commercial drones, and failure to conform may result in the revoking of any benefits awarded under this Chapter.

SOURCE: Subsection (i) amended by P.L. 23-109:2 (Jul. 26, 1996). Subsection (h) amended by P.L. 23-135 (Jan. 1, 1997). Amended by P.L. 24-103:2 (Oct. 24, 1997). Subsections (k-m) added by P.L. 24-295 (Oct. 21, 1998). Amended by P.L. 25-177:2 (Jan. 3, 2001), P.L. 29-150:2 (Jan. 30, 2009), P.L. 31-207:2 (May 9, 2012), effective 90 days from enactment pursuant to P.L. 31-207:3. Subsection (q) added by P.L. 34-103:2 (May 16, 2018). Subsection (f) amended by P.L. 35-119:2 (Dec. 11, 2020). Subsection (r) added by P.L. 35-116:2 (Dec. 11, 2020), effective (30) days following enactment pursuant to P.L. 35-116:5 (Dec. 11, 2020). Subsection (s) added by P.L. 35-118:2 (Dec. 11, 2020).

2021 NOTE: Subsection (s) added as (r) by P.L. 35-118:2 (Dec. 11, 2020), renumbered by the Compiler pursuant to 1 GCA § 1606.

2018 NOTE: Subsection designations added/altered in subsection (q) pursuant to 1 GCA § 1606.

2015 NOTE: The subsection designations were altered from Arabic numbers to lowercase letters, and from lowercase Roman numerals to Arabic numbers, to adhere to the Compiler's alpha-numeric scheme pursuant to 1 GCA § 1606.

§ 58105. Promotion of General Economic Improvement.

No Qualifying Certificate shall be issued unless the Authority finds that the proposed activities of the Beneficiary shall promote the general economic development of Guam by:

(a) Employment. Creation of employment; plus

(b) Replace Imports. Replacement of imports; or

(c) Price Reduction. Reduction in consumer prices; or

(d) Affordable Housing and Needed Facilities. Creation of affordable housing or other vitally needed facilities; or

(e) Economic Activity. Creation of economic activity of value to Guam; or

COL 2026-10-26

(f) Insurance. Establishment of Guam as a financial/insurance center for the Pacific, and increasing the availability and lowering the cost of insurance in Guam.

SOURCE: Subsection (a) originally numbered § 58105.6, amended by P.L. 23-109:2(b) (July 26, 1996). Subsection (d) originally numbered § 58105.4 amended by P.L. 23-135:11(b) (Jan. 1, 1997).

2022 NOTE: Sections 58105.1 through 59105.6 renumbered to § 58105 (a) through (f) by the Compiler pursuant to 1 GCA § 1606. Reference to "territory" replaced with "Guam" pursuant to 1 GCA § 420.

§ 58106. Qualifying Certificate: Issuance of.

A Qualifying Certificate may be issued by I Maga'hågan/Maga'låhen Guåhan upon the recommendation of the Authority to any applicant that proposes to engage in an eligible business, or to any applicant stockholder of such corporation holding a Qualifying Certificate, and said corporation may be either a Guam corporation or a duly organized "possessions corporation" limited to doing business in Guam, as such "possessions corporation" is defined under Federal income tax laws and regulations. Each Qualifying Certificate shall specifically identify on its face each activity of the Beneficiary which is entitled to the tax rebates or abatements set out in the Qualifying Certificate.

2025 NOTE: Reference to the "Governor of Guam" replaced with I Maga'hågan/Maga'låhen Guåhan pursuant to 5 GCA § 1510.

§ 58107. Qualifying Certificate: Nature of; Benefits.

A Qualifying Certificate, once issued, shall be a contract between the government of Guam and the Beneficiary, and the tax rebates or abatements or both set out in the Certificate may not be curtailed, limited or impaired without the consent of both parties by any subsequent act, except as provided herein. Once issued and unless suspended, rescinded or revoked, a Qualifying Certificate shall constitute conclusive evidence of entitlement to the tax rebates or abatements or both set out on its face.

2026 NOTE: Former title "Same" replaced by the Compiler with "Qualifying Certificate" for clarity.

§ 58108. Qualifying Certificate: Regulations.

The Authority shall adopt regulations containing standards, criteria, and measures of investments for the Qualifying Certificate applicant and describing the benefits to be derived by the people of Guam in the issuance of Qualifying Certificates. Such regulations shall include preference to be extended to applicants which have a fifty-one percent (51%) or greater proportion of local ownership by bona fide Guam residents, U. S. citizens or permanent residents. The Authority shall recognize and take into consideration any and all provisions of law and regulations administered by other government entities that have review or approval authority over the eligible activity. All of the regulations of the Authority shall be adopted in the manner prescribed by the Administrative Adjudication Law.

2026 NOTE: Former title "Same" replaced by the Compiler with "Qualifying Certificate" for clarity.

§ 58109. Authority's Findings on Applications.

In making its recommendation to I Maga'håga/Maga'låhi the Authority shall consider and make specific findings on the following:

(a) The impact of the Beneficiary's proposed activities upon established businesses and markets in Guam;

(b) The financial risks facing the Beneficiary in undertaking the proposed activities;

(c) The location of the proposed activities;

(d) The importance of the proposed activities to the economy of Guam and to the official economic policies of the government of Guam, if any.

COL 2026-10-26

2025 NOTE: Reference to the "Governor" replaced with I Maga'håga/Maga'låhi pursuant to 5 GCA § 1510.

§ 58110. Conditions of Benefits.

In its recommendation of specific tax benefits, the Authority shall consider the following as possible terms and conditions to such benefits:

(a) Percentage of Investment. Limiting the tax benefits to a percentage of the capital investment in Guam to be made by the Beneficiary;

(b) Variable Rate. Varying the rate of tax benefits over the term of the Qualifying Certificate;

(c) Limitation on Amount. Limiting the tax benefits to a fixed dollar amount;

(d) Public Investments. Conditioning the tax benefits on the Beneficiary's investing in or creating public improvements separate from its proposed activities, including programs and projects sponsored or proposed by a village's Mayor or Municipal Planning Council, and investments that are made in support of:

(1) Public Safety emergency response resources of the Government of Guam, including but not limited to, aerial ladder fire trucks, ambulances, police vehicles, water rescue equipment and training;

(2) Public Health infrastructure, including but not limited to, healthcare equipment and facilities;

(3) Public Education infrastructure, including but not limited to, educational programs and facilities;

(4) Cultural preservation initiatives; and

(5) Economic development initiatives, including but not limited to, workforce training programs.

The Authority shall develop or amend established policies requiring that a portion of Public Investments be prioritized to support the immediate and long-term resource needs of the Government of Guam for public safety, public health, public education, cultural preservation and economic development. These Public Investments authorized by the Authority shall complement, not substitute, for federal grants or appropriations by I Liheslaturan Guåhan.

(e) Local Shareholders. Requiring the Beneficiary to offer ten percent (10%) or more of its corporate equity to qualified residents of Guam on terms and conditions to be established by the Authority;

(f) Profit-Sharing, etc. Requiring the Beneficiary to establish profit-sharing and stock ownership programs and other similar benefits for its employees;

(g) Training. Requiring the Beneficiary to

(1) utilize locally-based and locally-owned training services as needed; or

(2) establish in-house training programs that consult with locally-based experts to ensure compliance of pertinent local rules and regulations as needed; or

(3) make contributions to an independent training or scholarship fund.

Initial consideration for locally-owned, locally-based training businesses or services shall be given before considering and soliciting businesses or services outside of Guam.

COL 2026-10-26

(h) Local Purchaser. Requiring the Beneficiary to procure services or products supplied by Guam-licensed vendors if the total cost of the same does not exceed one hundred ten percent (110%) of the cost of the same services or products available from off-island vendors.

(i) Local Professional Advice and Support. Requiring the Beneficiary to procure and utilize Guam-licensed entities or employ Guam residents that provide professional advice and support in the areas of records access and legal services. Such service providers shall include, but not be limited to, accountants, attorneys and auditors. GEDA shall have the authority to determine which services are subject to this provision of law.

SOURCE: Subsection (i) added by P.L. 31-160:2 (Jan. 4, 2012), effective (90) days from date of enactment pursuant to P.L. 31-160:3. Subsection (g) amended by P.L. 31-222:2 (June 15, 2012). Subsection (d) amended by P.L. 36-020:1 (May 12, 2021); and P.L. 38-139:2 (Sept. 1, 2026), applicable prospectively to Qualifying Certificates approved after enactment pursuant to P.L. 38-139:3.

2012 NOTE: The subsection designations in subsection (g) were altered from Roman numerals to Arabic numbers to adhere to the Compiler's alpha-numeric scheme pursuant to 1 GCA § 1606.

§ 58111. Grounds for Suspension, Rescission or Revocation.

A Qualifying Certificate may be suspended, rescinded or revoked by I Maga'hågan/Maga'låhen Guåhan upon the recommendation of the Authority for the following reasons:

(a) Fraud. Fraud or misrepresentation of any material fact in the application for such Certificate;

(b) Noncompliance with Certificate. Failure to comply with any condition or obligation set out in the qualifying certificate, the Qualifying Certificate law and rules thereof, or any laws and rules of the government of Guam having a direct impact on the beneficiary's activities. The Qualifying Certificate beneficiary may correct such noncompliance within twelve (12) months from the date it was notified in writing as to the nature of the noncompliance and reasons for such noncompliance. All benefits shall be suspended during this noncompliance period. Failure to correct such noncompliance within the period given shall result in revocation of the Qualifying Certificate;

(c) Bankruptcy. The filing by or against the Beneficiary of a petition for bankruptcy;

(d) Dissolution or death. A finding by the Attorney General that a corporate Beneficiary has been dissolved, that a partnership Beneficiary has been dissolved, or that an individual Beneficiary has died;

(e) Noncompliance with laws and rules. Failure to comply with any provision of this Chapter or with the applicable rules and regulations of the Authority.

SOURCE: Amended by P.L. 29-002:VI:34 (May 18, 2007).

§ 58112. Hearing Required.

No recommendation for suspension, rescission or revocation of a Qualifying Certificate shall be made by the Authority except after a hearing thereon pursuant to the provisions of the Administrative Adjudication Law.

§ 58113. Retroactive Suspension.

The suspension, rescission or revocation of a Qualifying Certificate may be retroactive to the time of the act or omission giving rise to the suspension, rescission or revocation or for any shorter period recommended by the Authority.

§ 58114. License Required.

A Qualifying Certificate shall not be issued to any applicant who has not first obtained a license to do business in Guam.

COL 2026-10-26

§ 58115. Conflicts of Interest.

No employee or board member of the Authority or their spouses and no corporation or any other legal entity in which any employee, board member or counsel of the Authority, or their spouses has any financial interest is eligible to apply for a Qualifying Certificate. Neither shall any of the following, during their term of office and for a period of one (1) year after their resignation, termination, or completion of their term of office, directly or indirectly, qualify for a Qualifying Certificate:

(a) Members of I Liheslatura and their spouses;

(b) Full-time employees of the executive branch of the government of Guam, and their spouses, from the level of first assistant to the agency director or chief executive and up;

(c) I Maga'hågan/Maga'låhen Guåhan, I Sigundo Maga'håga/Maga'låhi and their spouses;

(d) Employees of I Maga'håga/Maga'låhi's Office and their spouses;

(e) Judges of the various courts of Guam and their spouses.

Any Qualifying Certificate issued in violation of this Section shall be void *ab initio*.

2025 NOTE: Reference to the "Legislature" replaced with I Liheslatura pursuant to 2 GCA § 1101. References to the "Governor of Guam"/"Governor" replaced with I Maga'hågan/Maga'låhen Guåhan/I Maga'håga/Maga'låhi and to the "Lieutenant Governor" replaced with I Sigundo Maga'håga/Maga'låhi pursuant to 5 GCA § 1510.

§ 58116. Employment of United States Citizens and Permanent Residents.

Every Qualifying Certificate shall include a requirement that the Beneficiary shall submit a plan for a management training program for the approval of the Authority. The plan shall establish a management training program through which the Beneficiary shall have as managers and officers residents of Guam who are United States citizens or permanent residents of the United States.

§ 58117. Employment of United States Citizens and Permanent Residents: Work Force.

(a) Minimum Size. A Beneficiary shall at all times employ a total work force of not less than the minimum full-time equivalent number established by the Authority and as set out in the Qualifying Certificate. However, at all times, the work force of a Beneficiary shall meet the following minimum requirements:

(1) Initial Minimum Requirement. At least seventy-five (75%) of the Beneficiary's non-managerial employees shall be United States citizens or permanent residents of the United States; and

(2) Subsequent Minimum Requirement. After the expiration of three-fourths (¾^{ths}) of the period of the Qualifying Certificate or ten (10) years, whichever is sooner, the Beneficiary shall satisfy the seventy-five (75%) employment requirement for both management and non-management employees.

(b) Management and Non-Management Employees. The Authority shall be the sole judge of whether a Beneficiary's employee is management or non-management but it may seek advice from the University of Guam, the Guam Community College, the Department of Labor, or such other government agencies as are helpful in advising on carrying out the provisions of this Section. The Authority shall establish by regulation the requirements for practical and equitable training programs as guidance for the Beneficiary and the reasonable minimum number of persons to be employed on a continuing basis for each Beneficiary in accordance with the specific and normal requirements of the business involved. The Authority shall annually report to I Liheslatura the titles and compensation of all trainees, including those placed in management levels, who are employed by the Beneficiaries of Qualifying Certificates.

2025 NOTE: Reference to the "Legislature" replaced with I Liheslatura pursuant to 2 GCA § 1101.

COL 2026-10-26

2026 NOTE: Former title "Same" replaced by the Compiler with "Employment of United States Citizens and Permanent Residents" for clarity.

§ 58118. Employment of United States Citizens and Permanent Residents: Wages.

No resident employee of a Beneficiary shall be paid at less than the prevailing wage rate nor shall such employee be laid off work nor have his or her workweek reduced to less than forty (40) hours in order to create employment for employees who are not United States citizens or permanent residents of the United States. For the purpose of this Section, "prevailing wage rate" shall mean such rate as is established from time to time by the Department of Labor. The Department of Labor is empowered to investigate any complaint filed under this Section and to settle the same by issuance of an appropriate order after notice and hearing pursuant to the provisions of the Administrative Adjudication Law. Any willful violation of this Section, or of any order issued hereunder, may be cause for a Beneficiary of a Qualifying Certificate to forfeit the benefits thereof.

2026 NOTE: Former title "Same" replaced by the Compiler with "Employment of United States Citizens and Permanent Residents" for clarity.

§ 58119. Employment of United States Citizens and Permanent Residents: Trainees.

For purposes of the employee percentages of § 58117 of this Chapter, a Beneficiary may include among its employees "trainees" as that term is defined by the Authority's regulations. For good cause shown, the Authority may grant specific and limited exemptions to the percentage employment requirements of § 58117 but only if a training program has been implemented by the Beneficiary as required by § 58117.

2026 NOTE: Former title "Same" replaced by the Compiler with "Employment of United States Citizens and Permanent Residents" for clarity.

§ 58120. Participation in Training Programs.

Every Qualifying Certificate which covers the operation of a hotel or restaurant shall require its Beneficiary to participate in

(a) the Hotel/Restaurant Industry Apprenticeship Training Program administered by the Guam Community College or other subsequent and similar programs approved by the Authority and

(b) the Management and Supervisory Training Program administered by the University of Guam's College of Business and Public Administration or other subsequent and similar programs approved by the Authority.

Failure to actively participate in such training programs shall be grounds to revoke or suspend the Beneficiary's Qualifying Certificate.

2015 NOTE: Subsection designations were altered to adhere to the Compiler's alpha-numeric scheme pursuant to 1 GCA § 1606.

§ 58121. Qualifying Certificate: Non-transferable.

A Qualifying Certificate or the benefits thereunder may not be transferred, assigned or conveyed to another person, firm, partnership, or corporation without the written permission of the Authority. For the purpose of this Section, a transfer of benefits shall have occurred at any time that there is a transfer of a majority of the voting stock of the Beneficiary resulting in a change in the identity of the shareholders who control the Beneficiary. Similarly, a transfer of benefits shall occur whenever a Beneficiary shall lease, assign, or transfer a substantial part of its activities outside of the ordinary course of its business.

COL 2026-10-26

§ 58122. Application for Qualifying Certificates.

Applications for Qualifying Certificates shall be filed on forms prescribed and furnished by the Authority and shall require such disclosures as the Authority shall deem appropriate.

§ 58123. Monthly Reports.

The Beneficiary of a Qualifying Certificate must furnish monthly written reports to the Authority beginning thirty (30) days after the date of the issuance of the Qualifying Certificate. Said reports must include, but are not limited to, financial, employment and payroll data. All such monthly reports shall be treated as confidential by the Authority.

§ 58124. Publication of All Applications for Qualifying Certificates.

The Authority shall cause to be published, at the applicant's expense, in a Guam newspaper of general circulation, a brief résumé of an application for a Qualifying Certificate, said publication to be made no later than seven (7) days following submission of an application. The résumé shall be in a form prescribed by the Authority, and it shall include the name and address of the applicant, a brief statement of the proposed investment, a brief summary of the tax rebates and abatements applied for, and the names and addresses of all the owners, partners, or shareholders of the Applicant. Following the filing of the application in due form, payment of the prescribed fees and publication of the résumé, a public hearing shall be held pursuant to the rule-making provisions of the Administrative Adjudication Law.

§ 58125. Notice of Hearing on Applications.

A notice of the public hearing required by § 58124 of this Chapter shall be published at the applicant's expense in a Guam newspaper of general circulation in a form prescribed by the Authority at least five (5) days but no more than ten (10) days before the scheduled public hearing date. The Authority shall take all reasonable precautions in connection with such public hearings to avoid disclosure of proprietary secrets of the applicant. The Authority may schedule additional public hearings as necessary. The Authority meeting for approval or disapproval of a Qualifying Certificate shall not be held on the same day as a public hearing on the same Qualifying Certificate application.

§ 58126. Recommendations.

All recommendations of the Authority for issuance, modification, renovation and suspension of Qualifying Certificates shall be forwarded to I Maga'hågan/Maga'låhen Guåhan, together with a memorandum of the Authority's findings in support of its recommendations. Any recommendation of the Authority not approved by I Maga'håga/Maga'låhi within sixty (60) calendar days from her/his receipt thereof shall be deemed disapproved on the sixty-first (61st) day following such receipt.

2025 NOTE: References to the "Governor of Guam"/"Governor" replaced with I Maga'hågan/Maga'låhen Guåhan/I Maga'håga/Maga'låhi pursuant to 5 GCA § 1510.

§ 58127. Tax Abatements.

Subject to the provisions of this Chapter, I Maga'håga/Maga'låhi is authorized to issue a Qualifying Certificate abating the following taxes on the following terms:

2025 NOTE: Reference to the "Governor" replaced with I Maga'håga/Maga'låhi pursuant to 5 GCA § 1510.

§ 58127.1. Property Taxes.

All taxes now levied by virtue of Chapter 24, Title 11, Guam Code Annotated, known as the Real Property Tax Law, shall be abated for a period up to ten (10) years from the effective date of the Qualifying Certificate therefor, and as long as said Certificate is in force and effect; provided, that the real property on

COL 2026-10-26

which the tax is assessed is only utilized by the Beneficiary for activities identified in the Qualifying Certificate.

§ 58127.2. Rental of Land, Building or Equipment.

All taxes now levied on income derived from the lease of land, buildings, machinery or equipment by virtue of Article 2, Chapter 26, Title 11, Guam Code Annotated, known as business privilege taxes, shall be abated for a period up to ten (10) years, from the effective date of a Qualifying Certificate therefor, and as long as said Certificate is in force and effect; provided, that said income is derived from the lease of land, building, machinery or equipment to a Beneficiary of a Qualifying Certificate.

§ 58127.3. Sale of Alcoholic Beverages.

All taxes now levied by virtue of Article 2, Chapter 26, Title 11, Guam Code Annotated, known as business privilege taxes, shall be abated for a period up to ten (10) years from the effective date of a Qualifying Certificate therefor, and as long as said Certificate is in force and effect; provided, that the gross receipts on which such tax shall be abated have been derived from the sale of alcoholic beverages manufactured in Guam by the manufacturer thereof and that such manufacturer is the Beneficiary of a Qualifying Certificate.

§ 58127.4. Sale of Petroleum Products.

All taxes levied or paid by virtue of Article 2, Chapter 26, Title 11, Guam Code Annotated, known as business privilege taxes, shall be abated or rebated for a period up to ten (10) years from the effective date of the Qualifying Certificate therefor, for those gross receipts derived from the sale of petroleum products manufactured in Guam and sold to agencies or instrumentalities of the United States of America, or agencies or instrumentalities of the government of Guam, by the manufacturer thereof; provided, that a Qualifying Certificate for such a tax rebate or abatement is granted pursuant to the provisions of this subsection; and provided, further, that at any such time that a manufacturer possessing such a Qualifying Certificate no longer continues to qualify for the Certificate, the taxes shall no longer be abated or rebated.

§ 58127.5. Insurance Premiums.

All taxes now levied by virtue of Article 2, Chapter 26, Title 11, Guam Code Annotated, known as business privilege taxes, shall be abated for a period of up to twenty (20) years from the effective date of the Qualifying Certificates therefor, for those gross receipts derived from underwriting insurance risks either in or out of Guam, including gross receipts derived from investing funds generated from insurance underwriting in Guam by an insurance company that has qualified and continues to qualify for a Qualifying Certificate. Such insurance Qualifying Certificates may be renewed for additional periods for twenty (20) years at the conclusion of the first or later periods so long as the Beneficiary remains in good standing under the laws of Guam and under the rules and regulations of the Authority.

§ 58127.6. Development of Affordable Housing.

All taxes levied by virtue of Article 2, Chapter 26, Title 11, Guam Code Annotated, known as business privilege taxes, shall be abated for a period up to twenty (20) years from the effective date of the Qualifying Certificate therefor, for those gross receipts derived from the construction of affordable housing; provided, that a Qualifying Certificate for such a tax abatement is granted pursuant to the provisions of this subsection. The Beneficiary may be a developer, contractor or subcontractor or a combination of two (2) or more thereof so long as all the receipts the subject of the abatement are derived from the construction of no less than twenty-five (25) affordable housing units, as "affordable housing" is defined by the Authority.

SOURCE: Added by P.L. 23-135:12(a) (Jan. 1, 1997). Amended by P.L. 29-002:VI:28 (May 18, 2007), effective July 17, 2007, the name, Gross Receipts Tax, changed to Business Privilege Tax.

COL 2026-10-26

§ 58128. Tax Rebates.

Subject to the provisions of this Chapter, I Maga'håga/Maga'låhi is authorized to issue a Qualifying Certificate which establishes the following tax rebate:

2025 NOTE: Reference to the "Governor" replaced with I Maga'håga/Maga'låhi pursuant to 5 GCA § 1510.

§ 58128.1. Income Tax Rebate.

A rebate of up to seventy-five percent (75%) of all income tax paid to the government of Guam by a Beneficiary on income received from those activities identified in the Qualifying Certificate may be issued for a period not to exceed twenty (20) consecutive years from the effective date of a Qualifying Certificate therefor.

§ 58128.2. Variable Rates.

The percentage of rebate may be made variable by the Authority so as to permit higher or lower percentages in earlier or later years of the period. In determining the periods up to twenty (20) years and the percentages up to seventy-five (75%) the Authority shall take into consideration the financial risks involved in the undertaking as well as the impact on the socio-economic development of Guam by the proposed investment.

§ 58128.3. Determination of Income.

For the purposes of this Section, the term "income tax paid" shall mean income taxes paid on income received on or after the effective date of the applicable Qualifying Certificate. The Director of Revenue and Taxation of the government of Guam shall have authority to determine any prorations of rebates necessary because of taxable years occurring within the life of the applicable Qualifying Certificate which consist of less than a full twelve (12) months.

§ 58128.4. One Hundred Percent Rebate on Certain Insurance Income.

(a) One Hundred Percent Rebate on Certain Insurance Income. A rebate of one hundred percent (100%) of all income tax paid to the government of Guam by a Beneficiary on all income received from insurance underwriting either inside or outside of Guam, including all income derived from investing funds derived from operating an insurance underwriting business on Guam, may be issued for a period not to exceed twenty (20) consecutive years from the effective date of a Qualifying Certificate therefor; provided, that as to Guam risks and policy holders the Beneficiary does not issue a policy directly to the policy holder but only issues the same through a licensed Guam insurance broker. Such insurance Qualifying Certificates may be renewed for additional periods of twenty (20) years at the conclusion of the first or later periods so long as the Beneficiary remains in good standing under the laws of Guam and under the rules and regulations of the Authority.

(b) Rebates on Dividends to Shareholders of Qualified Insurance Underwriters. A rebate of one hundred percent (100%) of the income tax withheld from the shareholders of an insurance underwriting business on the dividends from such business may be issued for a period not to exceed twenty (20) consecutive years from the effective date of the Qualifying Certificate therefor; provided, that:

(1) the insurance underwriting business paying the dividends is the Beneficiary of a Qualifying Certificate;

(2) the dividends are paid from the insurance or investment earnings of such business as identified in its Qualifying Certificate, which dividends were received, on a cash basis, during the original or an extended period of the Qualifying Certificate; and

COL 2026-10-26

(3) the dividends were subject to a withholding tax thereon pursuant to those provisions of the Guam Income Tax Law requiring the withholding as income tax thereon of a fixed percentage of any dividends paid to non-residents of Guam.

If the shareholder is a resident of Guam then such shareholder may be granted a Qualifying Certificate on dividends pursuant to § 58130 of this Chapter. Such Qualifying Certificates for non-resident insurance shareholders may be renewed for additional periods of twenty (20) years at the conclusion of the first or later periods so long as the Beneficiary remains a shareholder of an insurance underwriting business that is the holder of its own Qualifying Certificate and is in good standing under the laws of Guam and under the rules and regulations of the Authority.

SOURCE: Added as § 2428.4 by P.L. 23-109:3 (July 26, 1996). Amended by P.L. 24-266:5 (Aug. 17, 1998).

2025 NOTE: Reference to "Territorial" in subsection (b)(3) replaced with "Guam" pursuant to 1 GCA § 420.

2015 NOTE: Subsection designations in (b) were altered to adhere to the Compiler's alpha-numeric scheme pursuant to 1 GCA § 1606.

§ 58128.5. One Hundred Percent Rebate on Income from Constructing Affordable Housing.

A rebate of one hundred percent (100%) of all income tax paid to the government of Guam by a Beneficiary on income received from the construction of affordable housing in Guam may be issued for a period not to exceed twenty (20) consecutive years from the effective date of a Qualifying Certificate therefor. The Beneficiary may be a developer, contractor or subcontractor or a combination of two (2) or more thereof so long as all the income the subject of the rebate is derived from the construction of no less than twenty-five (25) affordable housing units, as "affordable housing" is defined by the Authority.

SOURCE: Added by P.L. 23-135:12(b) (Jan. 1, 1997).

§ 58128.6. One Hundred Percent Rebate on Certain Trust Income.

(a) One Hundred Percent Rebate on Certain Trust Income. A rebate of one hundred percent (100%) of all income tax paid to the government of Guam by a Guam-based trust on all its earnings from either inside or outside of Guam, including all income derived from investing funds on Guam or elsewhere, may be issued for a period not to exceed twenty (20) consecutive years from the effective date of a Special Qualifying Certificate therefor.

For purposes of this § 58128.6, a "Guam-based trust" means:

(1) an arrangement created by will or by an inter vivos declaration whereby a trustee or trustees take title to property to protect or conserve the same for a beneficiary or beneficiaries of the trust under probate or chancery court rules;

(2) Guam is the principal place of administration of the trust, and for trusts with United States fiduciaries, a choice of laws election can be made for primary jurisdiction to be under the Federal District Court of the elected state;

(3) a minimum of Ten Thousand Dollars ($10,000.00) in U.S. currency remains in deposit at a local financial institution for the duration of the trust; and

(4) the trust property is not employed, directly or as shareholder, in a business for the settlor or the beneficiary, and for the purposes of this Subsection, "business" has the same meaning as "engaging in or carrying on a business" as in the Business License Law in 11 GCA § 70103(c) and includes only businesses which are required to be licensed, or are excepted from obtaining a license pursuant to the policy and provisions of 11 GCA §§ 70102 and 70130. A "Guam-based trust" shall be defined as a person under Treasury Regulation §301.7701-7(a) and notwithstanding the definition contained in Treasury Regulation §301.7701-7(c)(3)(ii), a Guam-based trust shall be considered a United States

COL 2026-10-26

Domestic Trust under the provisions of §301.7701(c)(4)(ii)(D). Such Special Qualifying Certificates for Guam-based trusts may be renewed for additional periods of twenty (20) years at the conclusion of the first or later periods so long as the trust remains in good standing under the laws of Guam and under the rules and regulations of the Authority.

(b) Rebates on Payments to Beneficiaries of Guam-Based Trusts. A rebate of one hundred percent (100%) of the income tax withheld from the beneficiaries of a Guam-based trust on the payments or distributions made to such beneficiaries from such a Guam-based trust may be issued for a period not to exceed twenty (20) consecutive years from the effective date of the Special Qualifying Certificate; provided, that:

(1) the Guam-based trust making the payments or distributions is the holder of a Special Qualifying Certificate;

(2) the payments or distributions are made from the property of such Guam-based trust, which payments or distributions were received, on a cash basis, during the original or an extended period of the Special Qualifying Certificate; and

(3) the payments or distributions were subject to a withholding tax thereon pursuant to those provisions of the Guam Income Tax Law requiring the withholding as income tax thereon of a fixed percentage of any fixed or determinable annual or periodical gains, profits or income received by non-residents of Guam.

Such Special Qualifying Certificates of Guam-based trusts may be renewed for additional periods of twenty (20) years at the conclusion of the first or later periods, so long as the Guam-based trust that is the holder of a Special Qualifying Certificate and is in good standing under the laws of Guam and under the rules and regulations of the Authority.

(c) A Guam-based Trust desiring to apply for a Special Qualifying Certificate shall make application by filing a copy of the trust instrument and a completed application in the form as required by the corporation (GEDA). The corporation, upon ascertaining that the material furnished by the applicant is in proper order, and that the fees established in the Corporation's Rules and Regulations having been paid, shall thereupon promptly forward its recommendation for issuance of the Special Qualifying Certificate to I Maga'hågan/Maga'låhen Guåhan who shall approve the application.

(d) A true copy of the Special Qualifying Certificate shall be attached to each tax return of the Guam-based Trust, and the amount of tax due prior to the rebate shall be deposited with the government at the time of filing of each income tax return.

(e) Taxes deposited by the Guam-based Trust shall not be placed in the General Fund or commingled with other funds, but shall be deposited by the Director of the Revenue and Taxation in a special purpose trust accounts in one (1) or more FDIC insured banks with offices within Guam, and shall be withdrawn from such accounts only for the purpose of making rebates as provided herein.

(f) The provisions of 12 GCA Chapter 58 shall not apply to any Guam-based Trust applying for a Special Qualifying Certificate, specifically §§ 58112, 58116, 58119, 58123, 58124 and 58125.

(g) It is the intent of I Liheslaturan Guåhan that no portion of the rebates of income tax made under this Section shall be subject to income taxation.

SOURCE: Added as an untitled provision by P.L. 24-266:6 (Aug. 17, 1998). Subsections (a) and (b) amended by P.L. 25-008:1,2 (May 12, 1999). Subsections (c)-(g) added by P.L. 25-008:3-7 (May 12, 1999), all relative to the establishment of trust companies on Guam and their tax status. Subsection (a) amended by 25-150:19 (June 7, 2000).

2025 NOTE: Reference to "Territorial" replaced with "Guam" pursuant to 1 GCA § 420.

COL 2026-10-26

2015 NOTE: Subsection designations in (b) were altered to adhere to the Compiler's alpha-numeric scheme pursuant to 1 GCA § 1606.

When added by P.L. 24-266, this provision was untitled. The title was added by the previous Compiler of Laws.

§ 58128.7. Development of Fewer than Twenty-five (25) Affordable Housing Units.

(a) A rebate of up to one hundred percent (100%) of all income tax paid to the government of Guam by a Beneficiary on income received from the construction of affordable housing in Guam may be issued for a period not to exceed twenty (20) consecutive years from the effective date of a Qualifying Certificate. The Beneficiary may be a developer, contractor, or subcontractor, or a combination of two (2) or more thereof so long as all the income the subject of the rebate is from, is derived from the construction of not less than five (5) but fewer than twenty-five (25) affordable housing units.

Additionally, the Beneficiary is authorized to claim up to one hundred percent (100%) in use tax exemptions with respect to constructing, furnishing, and equipping each new affordable housing unit. The exemption shall be claimed no later than one (1) year from the issuance of each affordable housing unit's occupancy permit.

"Affordable" where used in this Section shall be up to one hundred thirty percent (130%) and less of the median income average threshold as published annually by the U.S. Department of Agriculture. The income threshold established herein may be adjusted by the Guam Housing Corporation in consultation with GEDA from time-to-time through an approved board resolution consistent with recommendations from the Guam Housing and Urban Renewal Authority and/or federal agencies, including, but not limited to, the U.S. Department of Housing and Urban Development and the U.S. Department of Agriculture.

(b) The Guam Economic Development Authority in consultation with the Guam Housing Corporation shall have the sole authority to negotiate the terms of the tax incentives authorized by this Section and other provisions of Chapter 58, Title 12, Guam Code Annotated, which are applicable to the development of affordable housing. The provisions of this Section shall be treated independent of the affordable housing tax benefits previously authorized by Public Law 23-135 for the development of no less than twenty-five (25) affordable housing units. Negotiations shall be completed prior to the issuance of the affordable housing unit's building permit.

(c) Notwithstanding any other provision of law, the Beneficiary's business privilege tax (BPT) payments connected to the construction of affordable housing units pursuant to this Section shall be deposited into the Affordable Housing Assistance Fund as established herein. The BPT payments authorized herein shall not affect the levy of three percentage points (3%) out of the total percentage points levied from time to time, of the BPT (the Pledged Privilege Tax Revenues), the revenues from which are pledged to the government of Guam Business Privilege Tax Bonds (the BPT Bonds); provided, that payments made be made from the Pledged Privilege Bonds in accordance with Section 5.02(E) of the Indenture, dated as of December 1, 2011, as amended from time to time, relating to the Bonds (the BPT Bond Indenture), and in a manner otherwise consistent with the BPT Indenture. The "Affordable Housing Assistance Fund" shall be used as a revolving funding source to assist first-time borrowers with down payments and other closing costs. Borrowers must supply the Guam Housing Corporation with written documentation evidencing loan approval by a financial institution licensed to operate on Guam. Each qualified borrower shall be eligible to receive no more than an amount equal to the total BPT value paid by the beneficiary for the construction of affordable housing units.

The Guam Housing Corporation in consultation with GEDA shall develop an application process and the appropriate rules and guidelines necessary to facilitate BPT deposits and financial assistance for down payment and other closing costs for qualified first-time home borrowers who shall be prohibited from receiving benefits from more than one (1) affordable housing assistance program administered by the

COL 2026-10-26

government of Guam. Each payment shall be made to a financial institution through escrow and only after the borrower has met all eligibility requirements established by the Guam Housing Corporation.

(d) There is hereby created, separate and apart from all other funds, the Affordable Housing Assistance Fund (Fund) which shall be administered by the Guam Housing Corporation. The deposits into the Fund shall not be commingled with any other funds of the Guam Housing Corporation and any other appropriations made to the agency, and shall be kept in a separate bank account. The Fund shall be audited annually and the Guam Housing Corporation is required to prepare and submit an annual report to I Maga'hågan/Maga'låhen Guåhan and the Speaker of I Liheslaturan Guåhan concerning the administration and activities of the Fund.

SOURCE: Added by P.L. 36-131:2 (Dec. 28, 2022).

2023 NOTE: Originally added by P.L. 24-295:10 (Oct. 21, 1998), entitled "Assistance in Military Outsourcing and Downsizing." Amended by P.L. 27-103:3 (June 30, 2004). Repealed by P.L. 31-088:1 (Sept. 30, 2011).

§ 58128.8. Unpledged Business Privilege Tax Rebate on Medicaid Receipts.

(a) Title. This Section shall be known and may be cited as the "Guam Medicaid Access Enhancement Act."

(b) Definitions. For purposes of this Section:

(1) "Healthcare provider" means any individual, partnership, corporation, association, or other entity that is licensed, certified, or otherwise authorized by the government of Guam to provide healthcare services on Guam.

(2) "Medicaid receipts" means the gross receipts received by a healthcare provider for services provided to patients enrolled in the Medicaid program, including any federal or local Medicaid expansion or waiver programs.

(3) "Qualified healthcare professional" means any individual who is registered with the Guam Board of Medical Examiners, the Guam Allied Health Board, the Guam Board of Nurse Examiners, the Guam Board of Dental Examiners, or the Guam Board of Pharmacy, and who provides services to Medicaid patients.

(4) "Service location" means a physical location on Guam where a healthcare provider delivers healthcare services to Medicaid patients. To qualify as a separate service location, each facility must:

(A) be physically separate from other qualifying service locations;

(B) have regular, published hours of operation;

(C) have appropriate facilities and equipment for providing healthcare services; and

(D) be staffed by at least one (1) qualified healthcare professional.

(c) Unpledged Business Privilege Tax Rebate on Medicaid Receipts. Notwithstanding any other provision of law, a healthcare provider shall be entitled to the following rebates on business privilege taxes owed on Medicaid receipts:

(1) Base Rebate: A rebate of twenty percent (20%) of all Medicaid receipts;

(2) Professional Rebate: An additional rebate of twenty percent (20%) of all Medicaid receipts for each qualified healthcare professional employed by, or exclusively independently contracted to, the healthcare provider who services Medicaid patients;

(3) Location Rebate: An additional rebate of twenty percent (20%) of all Medicaid receipts for each physical service location on Guam that services Medicaid patients; and

COL 2026-10-26

(4) Any rebate authorized in this Act shall not include the federal share of any Medicaid payment.

(d) Maximum Rebate. The total rebate under Subsection (c) shall not exceed the total amount of business privilege tax owed on Medicaid receipts.

(e) Application and Certification.

(1) The Guam Economic Development Authority (GEDA) shall establish the application requirements and procedures pursuant to the unpledged business privilege tax rebate on Medicaid receipts.

(2) To claim the rebates provided under this Section, a healthcare provider shall submit an application to the Guam Economic Development Authority on an annual basis, in a form and manner prescribed by the Administrator.

(3) The application shall include:

(A) documentation of the healthcare provider's total Medicaid receipts for the applicable tax period;

(B) a list of all qualified healthcare professionals employed by or affiliated with the healthcare provider who service Medicaid patients, including their license or registration numbers with the applicable professional board;

(C) a list and description of all physical service locations on Guam where the healthcare provider delivers services to Medicaid patients; and

(D) any other information deemed necessary by the Administrator to verify eligibility for the rebates.

(4) The Guam Economic Development Authority shall consult with the Department of Public Health and Social Services to verify the accuracy of information provided in the application.

(f) Audit and Compliance.

(1) The Guam Economic Development Authority, in coordination with the Department of Public Health and Social Services, shall establish procedures for auditing healthcare providers claiming rebates under this Section to ensure compliance with all requirements.

(2) Healthcare providers claiming rebates under this Section shall maintain records sufficient to demonstrate compliance with the requirements of this Section for a period of at least three (3) years after the end of the tax period for which the rebate is claimed.

(3) Any healthcare provider who knowingly provides false information to obtain rebates under this Section shall be subject to:

(A) repayment of all rebates improperly received, plus interest at the rate of ten percent (10%) per annum;

(B) a penalty equal to fifty percent (50%) of all rebates improperly received; and

(C) disqualification from receiving any rebates under this Section for a period of five (5) years.

(g) Annual Report. The Guam Economic Development Authority, in collaboration with the Department of Public Health and Social Services, shall submit an annual report based on filings pursuant to this Section, to I Maga'hågan/Maga'låhen Guåhan and I Liheslaturan Guåhan by March 31 of each year, beginning in 2026, detailing:

COL 2026-10-26

(1) the number of healthcare providers claiming rebates under this Section;

(2) the total amount of rebates granted under this Section;

(3) the number of qualified healthcare professionals servicing Medicaid patients;

(4) the number of service locations providing care to Medicaid patients;

(5) the number of healthcare providers utilizing the self-certification option and their progress toward meeting certification requirements;

(6) the results of audits conducted on self-certified providers, including compliance rates and penalties assessed; and

(7) an assessment of the impact of this Section on Medicaid access and service delivery.

(h) Rules and Regulations. The Guam Economic Development Authority, in consultation with the Department of Public Health and Social Services, shall promulgate rules and regulations in accordance with the Administrative Adjudication Law to implement the provisions of this Section within ninety (90) days of the effective date of this Act.

SOURCE: Added by P.L. 38-027:2 (June 17, 2025), applicable to tax periods beginning on or after Jan. 1, 2025 pursuant to P.L. 38-027:3.

§ 58129. Taxability of Abatements and Rebates: Legislative Intent.

It is the intent of I Liheslatura that the abatement or rebate of taxes to Beneficiaries pursuant to §§ 58127, § 58128, § 58129, § 58130 and § 58131 of this Chapter shall be abatements or rebates on the taxes owed on the eligible activities identified in the Qualifying Certificates issued therefor and that no portion of such abatements or rebates shall be later subject to taxation as additional income to the Beneficiary.

2025 NOTE: Reference to the "Legislature" replaced with I Liheslatura pursuant to 2 GCA § 1101.

§ 58130. Income Tax Rebate on Dividends.

A rebate of up to seventy-five percent (75%) of the income tax paid by the shareholders of a corporation on the dividends of that corporation may be granted for a period not to exceed five (5) consecutive years; provided, however, that the corporation paying the dividends is the Beneficiary of a Qualifying Certificate and that the dividends are being paid from the corporation's earnings on activities identified in the Qualifying Certificate which were received, on a cash basis, during the five (5) year period.

§ 58131. Income Tax Rebates for Shareholders of a "Subchapter S" Corporation and Members of a Limited Liability Partnership and Limited Liability Company.

(a) A rebate of up to seventy-five percent (75%) of all income tax paid by the shareholders of a corporation which has elected to be taxed as a "Subchapter S" corporation, as defined at §1361, Title 26, United States Code, or any successor provision, on the income of the corporation which was received from those activities identified in the Qualifying Certificate, may be granted for a period not to exceed twenty (20) years following the effective date of the Qualifying Certificate therefor.

(b) Members of a Limited Liability Partnership and Limited Liability Company. A rebate of up to seventy-five percent (75%) of all income tax paid by members of a Limited Liability Partnership or a Limited Liability Company formed under the laws of Guam, on the income of the Limited Liability Partnership or a Limited Liability Company which was received from those activities identified in the Qualifying Certificate, may be granted for a period not to exceed twenty (20) years following the effective date of the Qualifying Certificate therefor.

SOURCE: Repealed and reenacted by P.L. 24-103:3 (Oct. 24, 1997).

COL 2026-10-26

§ 58132. Modification of Tax Benefits.

In the event that a Beneficiary proposes to substantially expand or add to its activities and desires to obtain a modification of its original Qualifying Certificate to include its proposed additional activities, then upon findings and recommendations of the Authority, I Maga'håga/Maga'låhi may modify the original Qualifying Certificate, subject to the following conditions:

(a) Findings. The Authority specifically finds that the additional proposed activities of the Beneficiary satisfy the requirements of §§ 58103 and § 58106 of this Chapter and that the Authority makes recommendations required by § 58109 of this Chapter;

(b) Cancellation of original Certificate. The original Qualifying Certificate shall be surrendered and cancelled;

(c) Changes in benefits. The tax benefits applicable to the additional activities may be at rates or for a term different from those tax benefits applicable to the activities described in the original Qualifying Certificate, and the new Qualifying Certificate may include terms, conditions, rebates or abatements different from those in the original Qualifying Certificate.

2025 NOTE: Reference to the "Governor" replaced with I Maga'håga/Maga'låhi pursuant to 5 GCA § 1510.

§ 58133. Extended Term.

In lieu of the percentage of tax abatements and rebates authorized in this Chapter, the Authority may recommend and I Maga'håga/Maga'låhi may grant fifty percent (50%) of said abatements and rebates for a period of double the term authorized by this Chapter.

2025 NOTE: Reference to the "Governor" replaced with I Maga'håga/Maga'låhi pursuant to 5 GCA § 1510.

§ 58134. Acknowledgment of Benefits by Tax Commissioner.

When the Authority forwards its recommendations to I Maga'håga/Maga'låhi on the issuance of a Qualifying Certificate, it shall transmit a copy of such recommendations to the Tax Commissioner of Guam for her/his information. The Tax Commissioner shall forthwith acknowledge in writing to I Maga'håga/Maga'låhi and to the Authority that the proposed tax benefits are understood and accepted by the Department of Revenue and Taxation.

2025 NOTE: References to the "Governor" replaced with I Maga'håga/Maga'låhi pursuant to 5 GCA § 1510.

§ 58135. Procedure to Claim Abated and Rebated Taxes.

The Authority shall monitor the activities of the Beneficiary and its compliance with all of the terms and conditions of the Qualifying Certificate, this Chapter and the regulations of the Authority and it shall, if justified, issue annually its certificate of compliance by the Beneficiary. No rebate or abatement of any tax shall occur unless the Beneficiary shall have received a certificate of compliance for the applicable tax year.

§ 58136. Abatement of Tax.

When the return for the abated tax is accompanied by a corresponding certificate of compliance for the previous year or part thereof then the actual payment of the tax in question to the government of Guam shall not be required, and upon review of the tax return, the Tax Commissioner of Guam shall, within one hundred twenty (120) days from receipt of said tax return, furnish the taxpayer a certification confirming the nature and amount of the tax abated.

COL 2026-10-26

§ 58137. Rebate of Tax.

In the case of an income tax rebate, where the taxpayer's tax return is accompanied by a certificate of compliance, the amount of a tax due prior to rebate shall be deposited with the government of Guam at the time of filing the income tax return. The Tax Commissioner of Guam shall immediately thereafter cause the return to be reviewed and if the rebate is found in order shall cause the amount of the rebate to be withdrawn from the deposit and returned to the taxpayer within one hundred eighty (180) days from the date of the deposit, without interest. The balance of the deposit shall be credited against the taxpayer's income tax obligation to the government of Guam.

§ 58138. Rebate Fund.

Deposits for income tax made with the government of Guam pursuant to this Chapter shall be covered and deposited into a separate, special account in the Treasury of Guam, to be designated the Income Tax Rebate Fund.

2022 NOTE: Reference to "territory" omitted pursuant to 1 GCA § 420.

§ 58139. Tax Redeterminations.

In the case of any Beneficiary that, in accordance with the applicable laws of Guam, shall have applied for and been granted a redetermination of tax liability or taxes payable or in the case of a redetermination of tax liability made by the Department of Revenue and Taxation, the amount of abated or rebated taxes determined for such Beneficiary for the taxable years affected shall be accordingly adjusted by the Director of Revenue and Taxation and said Beneficiary shall be required to pay the balance due for said taxable years, if any, together with interest at the rate currently assessed by the government of Guam per annum from the date the Beneficiary realized the abatement or rebate benefit; provided, that said balance due may be offset or credited against any tax refund due to the Beneficiary.

§ 58140. Implementation by Tax Commissioner.

The Tax Commissioner of Guam is hereby authorized to issue such rules and regulations as he may deem necessary to implement the procedures outlined in this Chapter.

§ 58141. Limited to Government of Guam Taxes.

All abatements and rebates herein established and authorized shall apply only to the taxes due the government of Guam.

§ 58142. Investment of Abated or Rebated Tax in Guam.

Each Qualifying Certificate, except for a Qualifying Certificate issued to an insurer pursuant to the provisions of §§ 58127 and 58128 of this Article, shall require a Beneficiary to invest within Guam no less than fifty percent (50%) of any taxes rebated or abated under §§ 58127 and 58128 of this Article for a period of five (5) years following the rebate or abatement. A Beneficiary shall report all such investments to the Authority.

SOURCE: Amended by P.L. 23-109:2(d) (July 26, 1996).

§ 58143. Fees.

On the effective date of this Chapter, and until modified pursuant to § 58145 of this Chapter, the following fees shall be assessed against each applicant or Beneficiary of a Qualifying Certificate:

	ANNUAL FILING FEES	SURVEILLANCE FEES
Agriculture, aquaculture, and mariculture:	$150.00	$500.00

COL 2026-10-26

	ANNUAL FILING FEES	SURVEILLANCE FEES
Home manufacturing:	$100.00	$100.00
Manufacturing:	$750.00	$2,000.00
Commercial fishing:	$250.00	$1,000.00
Services:	$750.00	$2,000.00
Leasehold services:	$750.00	0.75% of annual lease payments
Tourism:	$1,000.00	$3,000.00
Insurers:	$750.00	$1,000.00
Export trading companies:	$750.00	$1,000.00
Motels per motel:		
under construction:	$750.00	$2,000.00
in operation:	$750.00	$25.00 per room
Hotels per hotel:		
under construction:	$1,500.00	$3,000.00
in operation:	$1,500.00	$45.00 per room
Construction of affordable housing:	$750.00	$1,000.00
Producing water or disposing of wastewater jointly with the Guam Waterworks Authority:	$750.00	$10,000.00
A small business entity operating the Base Operating Service Contract or as a subcontractor to a BOS Contractor:	$750.00	$1,000.00
Operating the Base Operating Service Contract:	$750.00	$100,000.00

SOURCE: Amended by P.L. 22-159:2 (Dec. 30, 1994 as 12 GCA § 2443; by P.L. 23-109:2(e) (July 26, 1996); by P.L. 23-135:11(c) (Jan. 1, 1997); and P.L. 24-295:14 (Oct. 21, 1998).

§ 58144. Extraordinary Costs.

In addition to the filing and surveillance fees, the Authority may also assess against an applicant or Beneficiary any extraordinary costs and expenses incurred to process the application or monitor the Beneficiary's performance of the terms and conditions of the Qualifying Certificate. Such cost and expenses shall not include the salaries of any employees of the Authority but may include but are not limited to the services of outside consultants, or off-island trips necessitated by the application or the surveillance.

§ 58145. Periodic Adjustment of Fees.

The Authority is authorized to adjust the fees listed in § 58143 of this Chapter on an annual basis, at the beginning of each calendar year, upon demonstration to the Authority by the Administrator that the cost of performing the services covered by the fees is greater than the amount of the fees. Fee changes shall be made according to the provisions of the Administrative Adjudication Law.

§ 58146. Rule-making Authority.

In accordance with the Administrative Adjudication Law the Authority shall adopt rules and regulations consistent with this Chapter which provide for, but are not limited to the following: Eligibility, minimum investment levels for different industries, the applications process, the terms and conditions of the various Qualifying Certificates, the monitoring procedure, and the revocation of Qualifying Certificates.

COL 2026-10-26

§ 58146.1. Qualifying Certificate; Abeyance Thereof. Development of Industry Specific Policy, Regulations, Criteria and Measurable Goals.

No later than sixty (60) days from the date of enactment of this Act, the Guam Economic Development Authority shall submit to I Liheslaturan Guåhan proposed industry specific policy, criteria and measurable goals; and which shall not include industry specific development projects already satisfactorily established on Guam, so as to ensure that the government not unnecessarily waive needed revenue for an industry specific project category that already exists or is satisfactorily established. In the event the mandated industry specific policy, criteria and measurable goals are not submitted timely, pursuant to this Subsection (a), then the following shall become effective ninety (90) days from the date of enactment of this Act:

(a) Hotel Qualifying Certificate; Provisional Abeyance thereof. Except as provided pursuant to Article 2 of Chapter 58, Title 12, GCA, no renewal of Qualifying Certificates for hotels shall be approved and issued until such time as the Guam Economic Development Authority has developed industry specific policy, criteria and measurable goals ensuring appropriate stimulation of legitimate investment of new economic development; and

(b) General Industry Specific; Provisional Abeyance thereof. No new Qualifying Certificates, or the renewal of Qualifying Certificates, shall be approved and issued until such time as the Guam Economic Development Authority has developed industry specific policy, criteria and measurable goals ensuring the appropriate stimulation of legitimate investment of new economic development; and which shall not include industry specific development projects already satisfactorily established on Guam, so as to ensure that the government not unnecessarily waive needed revenue for an industry specific project category that already exists or is satisfactorily established.

SOURCE: Added by P.L. 32-233:3 (Dec. 31, 2014), amended by P.L. 33-004:2 (Feb. 25, 2015).

2015 NOTE: Subsection designations altered pursuant to 1 GCA § 1606.

§ 58147. Development of Circular Economy and Environmental Sustainability Activities.

(a) In order to promote a circular economy in Guam, as well as to encourage the reduction of waste and the expansion of recycling, remanufacturing and refurbishment of recyclable materials in Guam, the Board of Directors of the Guam Economic Development Authority is authorized to recommend the issuance of Qualifying Certificates for activities that foster circular economy commercial activities that promote environmental sustainability, recycling, and remanufacturing and refurbishment of recyclable materials, and that achieve the goal of reducing the creation of waste or facilitating the continual use and reuse of resources in Guam. This shall include activities of duly licensed and permitted recycling companies as well as companies engaged in the transshipment of recyclable materials to a recycling center outside of Guam.

(b) Applications for Qualifying Certificates authorized pursuant to this Section shall utilize the same process as other Qualifying Certificates issued. Additionally, GEDA shall require that the Beneficiary of a Certificate comply with the same requirements of a Beneficiary of a QC as set out in 12 GCA §§ 58116 through 58119 and any applicable Section of this Article. GEDA shall ensure that all applicable benefits apply only to the revenues generated from the recycling activities identified in the Certificate. Additionally, following the enactment of this Article, GEDA shall amend Chapter 4, Title 16 of the Guam Administrative Rules and Regulations to reflect the development of a circular economy and the associated environmental sustainability activities contained in this Section.

SOURCE: Added by P.L. 25-127:3 (May 22, 2000).Amended by P.L. 35-116:3 (Dec. 11, 2020), effective 30 days after enactment pursuant to P.L. 35-116:5 (Dec. 11, 2020).

2025 NOTE: Subsection designations added pursuant to 1 GCA § 1606.

2021 NOTE: This provision was formerly entitled "Business Privilege and Use Tax Exemptions" and was renamed by P.L. 35-116:3 (Dec. 11, 2020).

COL 2026-10-26

NOTE: P.L. 25-127:6 states:

"**Section 6. Method of Incineration; Not Applicable.** For the purposes of this Act, the aforementioned Sections shall not be applicable to the method of incineration as a means of recycling."

§ 58147.1. Tax Benefits Authorized.

There shall be allowed to each beneficiary issued a Qualifying Certificate, pursuant to § 58147 of this Article, a tax rebate, abatement, and exemption for the following taxes:

(a) One hundred percent (100%) Corporate Income Tax rebate for a period not to exceed ten (10) years;

(b) One hundred percent (100%) Business Privilege Tax abatement for a period not to exceed ten (10) years; and

(c) One hundred percent (100%) Use Tax exemption for a period not to exceed ten (10) years.

(d) The tax benefits provided under Subsections (b) and (c) of this Section shall be subject to the following:

(1) the revenues generated from all eligible circular economy commercial activities under 12 GCA § 58104(r) are certified by a Certified Public Accountant; and

(2) if transshipment of recyclable materials occurs, the shipping company shows proof that the transshipment of recyclable materials are recyclable, as defined in § 58147.3(f) of this Article.

(3) In order to qualify for the tax rebate, abatement, and exemption, a beneficiary shall commit to divert from the waste stream a minimum amount of recyclable materials per year, as determined reasonable and achievable according to the business activity and the requirements of the Authority. GEDA, in conjunction with recycling stakeholders, shall determine what constitutes "a minimum amount," develop a list of such amounts by type of material, and include the list in its amendment of Chapter 4, Title 16, Guam Administrative Rules and Regulations. All beneficiaries, in addition to the standard compliance requirements, shall submit to GEDA an annual report detailing the amount of material diverted from the waste stream during the course of the beneficiary's business activities.

(e) Interest Earned from Rebate. All interest earned by the government of Guam from the income tax rebates authorized pursuant to §§ 58147 and 58147.1 shall be allocated to the Guam Environmental Protection Agency (GEPA) to assist in the administrative cost for the implementation of this Act.

SOURCE: Added by P.L. 25-127:4 (May 22, 2000). Amended by P.L. 35-116:3 (Dec. 11, 2020), effective 30 days after enactment pursuant to P.L. 35-116:5 (Dec. 11, 2020).

2021 NOTE: This provision was formerly entitled "Corporate Income Tax Rebate" and was renamed by P.L. 35-116:3 (Dec. 11, 2020).

NOTE: P.L. 25-127:6 states:

"**Section 6. Method of Incineration; Not Applicable.** For the purposes of this Act, the aforementioned Sections shall not be applicable to the method of incineration as a means of recycling."

§ 58147.2. Waiver of Docking and Stevedoring Fees.

A waiver of docking and stevedoring fees may be granted in accordance with the uniform schedule setting forth criteria for fee waiver adopted by the Port Authority of Guam to shipping companies in the transshipment of recyclable materials for a consecutive period not to exceed ten (10) years from the effective date of the QC; provided, that:

COL 2026-10-26

(a) the shipping companies engaged in the transshipment of recyclable materials are the holders of a permit issued by GEPA;

(b) a CPA certifies the characteristics of recyclable materials, as listed in § 58147.3(f) and identifies the volume.

Notwithstanding anything herein to the contrary, the Port Authority of Guam shall not be required to provide free stevedoring services to shipping companies. Any shipping company, however, may provide for stevedoring services at the Port Authority at its cost and expense.

SOURCE: Added by P.L. 25-127:5 (May 22, 2000). Amended by P.L. 27-074:2 (Feb. 10, 2004), Amended by P.L. 35-116:3 (Dec. 11, 2020), effective 30 days after enactment pursuant to P.L. 35-116:5 (Dec. 11, 2020).

NOTE: P.L. 25-127:6 states:

"**Section 6. Method of Incineration; Not Applicable.** For the purposes of this Act, the aforementioned Sections shall not be applicable to the method of incineration as a means of recycling."

§ 58147.3. Definitions.

For the purposes of this Act, except as otherwise specifically provided, the following words and phrases, together with all of the common derivatives thereof, shall have the meaning ascribed to them as follows:

(a) "GEPA" shall mean the Guam Environmental Protection Agency.

(b) "Incineration" shall mean the act of using controlled flame combustion within an enclosed device, the primary purpose of which is to thermally break down solid waste.

(c) "QC" means the Qualifying Certificate issued by the Guam Economic Development Authority (GEDA).

(d) "Recycling" means the process by which recovered resources are transformed into new products in such a manner that products lose their identity, as defined in § 51102 (18) of Chapter 51 of Title 10 of the Guam Code Annotated.

(e) "Recycling company" means any business licensed by the Department of Revenue and Taxation, and has been issued a permit, as required in § 51104 of Chapter 51 of Title 10 of the Guam Code Annotated, from the Guam Environmental Protection Agency (GEPA) to conduct business on Guam in which eighty percent (80%) of its operations is specifically committed to recycling.

(f) "Recyclable materials" means materials which still have useful physical or chemical properties after serving a specific purpose for the same or other purpose. Recyclable materials are as follows:

(1) batteries;

(2) cars and trucks;

(3) construction and demolition debris (C&D);

(4) enameled white goods (i.e. refrigerators, water heaters, air conditioners, washers, dryers, stoves);

(5) foam padding;

(6) glass and plastic bottles;

(7) home appliances (other appliances that are not considered enameled white goods);

(8) lead;

COL 2026-10-26

(9) metals (ferrous/non-ferrous);

(10) organic material (i.e. tree trimmings, palm fronds, grass, food waste, soiled cardboard)

(11) paper products;

(12) tires (passenger/commercial);

(13) wood pallets and scrap wood;

(14) x-ray film;

(15) used oil; and

(16) any other material(s) determined to be recyclable by the Guam Environmental Protection Agency or any other Guam law, or rule or regulation.

(g) "Transshipment" shall mean to transfer for further transportation from one (1) ship or conveyance to another.

SOURCE: Added as uncodified law by P.L. 25-127:2 (May 22, 2000), codified to this section by the Compiler. Subsection (f) amended by P.L. 35-116:4 (Dec. 11, 2020), effective 30 days after enactment pursuant to P.L. 35-116:5 (Dec. 11, 2020).

2012 NOTE: This provision, enacted as part of P.L. 25-127, applies to §§ 58147-58147.2 of this Chapter.

NOTE: P.L. 25-127:6 states:

> "**Section 6. Method of Incineration; Not Applicable.** For the purposes of this Act, the aforementioned Sections shall not be applicable to the method of incineration as a means of recycling."

ARTICLE 2
SPECIAL QUALIFYING CERTIFICATE; 1,600 HOTEL ROOMS DEVELOPMENT

SOURCE: Article 2 added by P.L. 32-233:2 (Dec. 31, 2014).

§ 58201. Legislative Intent.
§ 58202. Definitions.
§ 58203. Special Hotel Qualifying Certificate Defined.
§ 58204. Fees.
§ 58205. Community Contributions.
§ 58206. "Sunset" Provision.
§ 58207. Severability.

§ 58201. Legislative Intent.

(a) I Liheslaturan Guåhan recognizes that the Qualifying Certificate program of the Guam Economic Development Authority (Authority) was conceived as an economic incentive tool to entice investors into Guam. In use for over four (4) decades, it has had a substantial positive impact upon the economic development of Guam, mainly in the tourist industry.

(b) It is the goal of the Guam Visitors Bureau, under their Vision 2020, to build one thousand six hundred (1,600) new hotel rooms by 2020. Several companies have expressed interest in building hotel rooms on Guam; however, Guam must offer incentives to compete with other tourism markets.

(c) Prospective developers have also expressed a reluctance to commit, as it is yet unknown where Guam stands with the China Visa Waiver program. This has caused a delay in the development of our

COL 2026-10-26

number one industry, and the Qualifying Certificate could provide additional incentive to develop the 1,600 rooms in time to meet the 2020 deadline.

(d) As such, I Liheslatura recognizes the aggressive goal of 1,600 hotel rooms by the year 2020, and the Guam Qualifying Certificate Program shall be updated to provide special incentives for hotel developers.

2025 NOTE: Subsection designations added pursuant to 1 GCA § 1606.

§ 58202. Definitions.

For purposes of this Article 2, the following definitions will apply:

(a) "Authority": The Guam Economic Development Authority (GEDA)

(b) "Hotel": For purposes of this Article and unless the context otherwise requires, hotel means a building facility that contains guest rooms held out to the public as a place where all transient persons, including, but not limited to tourists, who come will be accommodated and entertained as guests for compensation based on daily or weekly rates.

(c) "Construction Cost": Expenses incurred by a developer for the construction of any new hotel or for the expansion of any existing hotel in Guam. Such costs include land acquisition, building and site improvements, A&E and FF&E.

(d) "Hotel Expansion or Renovation": Existing Guam hotels may be eligible for this Special Hotel QC if new capital investment is to be made that will either add to the hotel's room inventory or significantly renovate the property.

(e) "Renovation Cost": Expenses incurred from modernizing the elements within a structural part of real property, whose total costs are no less than ten percent (10%) of the property value, and that either:

(1) materially increases the value of the property;

(2) substantially prolongs the useful life of the property; or

(3) adapts the property to a new or better use.

(f) "Property Value": The current appraised value of the land and improvements. The cost of such appraisal shall be borne by the hotel developer. An applicant may provide a previously completed appraisal, granted that such appraisal was performed within one hundred eighty (180) days of the date of application filing.

(g) "Business Privilege Tax (BPT)": The tax that is levied on business revenues as imposed by § 26201 of Article 2, Chapter 26, Title 11, GCA.

(h) "Use Tax": The tax that is levied on the landed value of or consumption of all property as defined by Chapter 28 of Title 11 GCA.

SOURCE: Added by P.L. 32-233:2 (Dec. 31, 2014). Repealed and reenacted by P.L. 36-107:XII:37 (Sept. 12, 2022).

§ 58203. Special Hotel Qualifying Certificate Defined.

The Special Hotel Qualifying Certificate (QC) is a contract valid for a given period, executed by I Maga'hågan/Maga'låhen Guåhan upon the recommendation of the Authority. The QC, once issued and unless suspended, rescinded, or revoked, shall constitute conclusive evidence of entitlement to the tax rebates, abatements, or exemptions set forth on its face.

COL 2026-10-26

(a) New Hotel Construction Tax Rebate and Abatement. There shall be allowed to each developer a tax rebate, exemption, and abatement in an amount equal to ten percent (10%) of their total construction cost, which can be applied by the developer at their discretion to the following taxes:

(1) Fifty percent (50%) Business Privilege Tax (BPT) for twenty (20) years as long as the tax credits are available at the point they are taken.

This BPT exemption shall not apply to the levy of three percentage points (3%), out of the total percentage points levied from time to time, of the BPT, the revenues from which are pledged to the government of Guam Business Privilege Tax Bonds;

(2) Seventy-five percent (75%) Income Tax Rebate for twenty (20) years;

(3) One hundred percent (100%) Real Property Tax Abatement for ten (10) years; provided, the fee simple owner taxpayer is the Qualifying Certificate beneficiary and that the real property on which the tax is assessed is only utilized by the beneficiary for activities identified in their Qualifying Certificate;

(4) One hundred percent (100%) of Use Tax Exemption with respect to the property used to construct, furnish, and equip the new facility construction or substantial expansion of an existing building. The exemption must be claimed no later than one (1) year of issuance of the facility's occupancy permit.

(b) Hotel Renovation and Expansion Tax Rebate and Abatement. There shall be allowed to each developer a tax rebate, exemption, and abatement in an amount equal to twenty percent (20%) of their total construction cost, which can be applied by the developer at their discretion to the following taxes:

(1) Fifty percent (50%) Business Privilege Tax (BPT) for twenty (20) years as long as the tax credits are available at the point they are taken.

This BPT exemption shall not apply to the levy of three percentage points (3%), out of the total percentage points levied from time to time, of the BPT, the revenues from which are pledged to the government of Guam Business Privilege Tax Bonds;

(2) Seventy-five percent (75%) Income Tax Rebate for twenty (20) years;

(3) One hundred percent (100%) Real Property Tax Abatement for ten (10) years; provided, the fee simple owner taxpayer is the Qualifying Certificate beneficiary and that the real property on which the tax is assessed is only utilized by the beneficiary for activities identified in their Qualifying Certificate;

(4) One hundred percent (100%) of Use Tax Exemption with respect to the property used to construct, furnish, and equip the expanded and/or renovated building. The exemption must be claimed no later than one (1) year of issuance of the facility's occupancy permit.

(c) Application Period. Eligible developers for this Special QC pursuant to § 58203(a) shall file their application prior to issuance of the hotel project building permit. Eligible developers for this Special QC pursuant to § 58203(b) shall be able to apply at any time, granted that for the purposes of calculating their twenty percent (20%) tax benefit amount, any construction costs invoiced prior to the official application submission date shall be deemed ineligible.

(d) Benefit Negotiations. The Authority has the sole authority to negotiate the terms of the QC. Negotiations shall be completed prior to issuance of the hotel project's building permit, if applicable.

SOURCE: Added by P.L. 32-233:2 (Dec. 31, 2014). Repealed and reenacted by P.L. 36-107:XII:37 (Sept. 12, 2022) and P.L. 36-107:XII:37 (Sept. 12, 2022).

COL 2026-10-26

§ 58204. Fees.

	Application and Modification Filing Fee	Annual Compliance Monitoring Fee
Hotels:	$5,000.00	
Under Construction:		$3,000.00
In Operation:		$50/per room

As to the annual compliance monitoring fees, the fee shall be assessed annually until such time as the QC beneficiary has exhausted the total dollar amount of its QC benefit.

§ 58205. Community Contributions.

As a condition of this Special Hotel QC, the QC beneficiary shall make a community contribution to the Authority in an amount equal to 0.5% of the total hotel construction cost. The terms of the community contributions shall be subject to negotiations between the Authority and the developer. Distribution of funds to be approved by the GEDA Board, based on the recommendation of the Administrator, will be to the following areas:

(a) funding for the maintenance and upkeep of certain tourist attractions or to support other tourism projects;

(b) economic development with a priority on the promotion of industry and small business; and

(c) higher education and cultural preservation.

§ 58206. "Sunset" Provision.

This Article shall take effect on its approval by I Maga'hågan/Maga'låhen Guåhan and shall remain in effect until the earlier of:

(a) December 31, 2031; or

(b) 1,600 hotel rooms have been committed to be built; upon which period this Article shall automatically be deemed repealed; provided, however, that the GEDA Board, at its discretion, with input from I Liheslatura, the visitor industry, the Administration, and the community as a whole, will re-examine the effectiveness and need of the program to determine if it should be extended, and may extend the effectiveness of this Article an additional two (2) years by adopting a resolution to such effect prior to the expiration date. Any QC issued under the conditions of this Article shall remain in full force and effect until its particular term expires or it is canceled on other grounds. QC beneficiaries shall report annually their QC benefits in a form as prescribed by the Department of Revenue and Taxation.

SOURCE: Added by P.L. 32-233:2 (Dec. 31, 2014). Amended by P.L. 36-072:2 (Dec. 27, 2021).

§ 58207. Severability.

If any provision of this Law or its application to any person or circumstance is found to be invalid or contrary to Law, such invalidity shall not affect or provisions or applications of this Law which can be given effect without the invalid provisions or application and to this end the provisions of this Law are severable.

COL 2026-10-26

ARTICLE 3
SPECIAL QUALIFYING CERTIFICATE
ÅKTON GUMA (GROUP USE MANÅMKO ACCOMMODATIONS) INCENTIVE ACT

SOURCE: Entire article added by P.L. 36-111:3 (Oct. 12, 2022).

§ 58301. Legislative Intent of the Åkton GUMA (Group Use Manåmko Accommodations) Incentive Act.
§ 58302. Collaboration and Partnerships.
§ 58303. Application of Article.
§ 58304. Definitions.
§ 58305. Special Qualifying Certificate; Defined.
§ 58306. Fees.
§ 58307. Savings for the Tenants.
§ 58308. Construction With Other Laws.
§ 58309. "Sunset" Provision.

§ 58301. Legislative Intent of the Åkton GUMA (Group Use Manåmko Accommodations) Incentive Act.

(a) I Liheslaturan Guåhan finds that there is a need to create a Special Qualifying Certificate Program, to be known as the "Åkton GUMA (Group Use Manåmko Accommodations) Incentive Act," stimulating economic activity through the construction of new elderly housing development projects or the substantial renovation of existing multi-family structures for conversion to elderly residential living accommodations that increases the availability of elderly housing accommodations

(b) This Article attempts to foster the development and operations of Manåmko residential living accommodations from the Government of Guam to non-profit and private sector operators. Incentivizing elderly development would assist developers in offsetting the rising costs of construction, supplies, and the limitations associated with labor availability and cost.

2025 NOTE: Subsection designations added pursuant to 1 GCA § 1606.

§ 58302. Collaboration and Partnerships.

The developer or operator shall reach out to Government of Guam agencies, federal agencies, and non-profit organizations to identify available funding and services that serve the elderly minorities and the elderly with disabilities, and provide an elderly continuum of care to eligible development covered by this Article.

§ 58303. Application of Article.

(a) An establishment seeking tax credits under this Article shall obtain and maintain the necessary licenses, permits and certificates, comply with zoning laws, federal laws, and obtain other governmental approvals required in the process of implementing the project.

(b) A project covered by this Article shall comply with the Fair Housing Act for elderly housing projects.

(c) The integration of all structural, building and operational requirements may optimize the integration of use in the project design and layout that may be productive in securing federal funding or federal loan guarantees to accomplish the same.

COL 2026-10-26

§ 58304. Definitions.

For purposes of this Article, the following definitions shall apply:

(a) "Affordable" where used in this Article shall be up to one hundred fifteen percent (115%) and less of the median income average threshold where rental dwellings are deemed affordable if the annual rent does not exceed thirty percent (30%) of the maximum income level for low income households, adjusted for household size. The income thresholds established herein may be adjusted by GEDA from time-to-time through an approved board resolution consistent with recommendations from the Guam Housing and Urban Renewal Authority and/or federal agencies, including, but not limited to, the U.S. Department of Housing and Urban Development and the U.S. Department of Agriculture.

(b) "Assisted Care" or "Assisted Living" refers to elderly housing facilities that provide apartment-style housing to ensure that certain services are available to maintain independence where needed that offers units containing, at a minimum, one (1) unfurnished room, a private bathroom, a kitchenette, and a lockable door on the unit entrance. Assisted living units are skilled nursing home care services as provided in accordance with 10 GCA § 7102(a).

(c) "Authority" refers to the Guam Economic Development Authority (GEDA).

(d) "Business Privilege Tax (BPT)" is the tax that is levied on business revenues as imposed by 11 GCA § 26201.

(e) "Construction Costs" are expenses incurred by a developer to construct any new elderly assisted living and independent living housing development or substantially renovate, expand, or convert existing structures comprising Elderly assisted living, independent living housing, or convalescent development in Guam. Such costs include land acquisition, building and site improvements, Architectural and Engineering (A&E), furniture, fixtures, and equipment (FF&E).

(f) "Developer" means an individual, partnership, corporation, association, or other person who develops land through construction and becomes the owner of an elderly residential living housing establishment.

(g) "Development" means a senior or elderly housing project of multiple dwelling units with accessory uses and structures for construction or substantial renovation located on property in accordance with this Article.

(h) "Dwelling" shall be consistent with the definition contained in 21 GCA § 61103(j).

(i) "Elderly" means individuals that are fifty-five (55) years of age or older.

(j) "Elderly Home or Housing" refers to an elderly dwelling, domicile, or space used as a permanent or semi-permanent residence for an individual, group or family.

(k) "Expansion or Renovation" means existing elderly residential living housing accommodations pursuant to this Article that may be eligible for this Special Qualifying Certificate if new capital investment is to be made that will either add to the building or significantly renovate the property.

(l) "Independent Living" refers to housing units and associated facilities designed for the elderly who are self-sufficient and require no on-site personal or health care services. An Independent Living housing unit consists of a room or group of rooms designed or intended to provide a habitable unit for one (1) or more persons with provisions for cooking, living, sanitation, and sleeping for the exclusive

COL 2026-10-26

use of the household unit. Associated facilities may include substantial common and socializing areas and other amenities.

(m) A "Multiple-Family Dwelling" contains three (3) or more dwelling units. A dwelling unit shall be defined as one (1) or more rooms and a single kitchen, designed as a unit for occupancy by one (1) family for living and sleeping purposes. For the purposes of this Article, duplexes, townhomes, apartments, or condominiums shall be considered a multiple-family dwelling. A hotel shall not be considered a multiple-family dwelling unless the developer intends to substantially renovate the hotel use for elderly housing.

(n) "Nursing Home" shall be consistent with 10 GCA § 7102(a).

(o) "Project" refers to constructing or renovating structures or buildings for elderly residential living housing.

(p) "Property Value" means the current appraised value of the land and improvements. The developer shall bear the cost of such appraisal and an applicant may provide an appraisal completed within one hundred eighty (180) days prior to the date of application filing.

(q) "Property Tax Assessment" shall mean the real estate and improvement taxes assessed on the Project.

(r) "Renovation Cost" are expenses incurred from modernizing the elements within a structural part located on real property for elderly housing, whose total costs are no less than forty percent (40%) of the property value and that either:

(1) materially increases the value of the property;

(2) substantially prolongs the useful life of the property; or

(3) adapts the property to a new or better use for elderly residential living accommodations.

(s) "Residential Living" means a housing arrangement meeting ADA compliance and the Fair Housing Act for the elderly that is chosen voluntarily by persons fifty-five (55) years of age or over, or their authorized representative, where independent living accommodations, assisted care accommodations, and/or nursing home accommodations or any combination thereof, involving varying levels and intensities of care and supervision, protective supervision, or personal care are provided, based upon their varying needs that are located within the elderly housing facility.

(t) "Special Qualifying Certificate" shall refer to tax incentives on developments that are eligible or approved for the Åkton GUMA (Group Use Manåmko Accommodations) Incentive Act.

(u) "Senior Housing" means age-restricted residential housing intended and operated for occupancy by persons fifty-five (55) years of age or older.

(v) "Substantial Improvement" or "Substantial Renovation" means any combination of repairs, reconstruction, alteration, or improvements to a structure that is ADA compliant in which the cumulative cost equals or exceeds forty percent (40%) of the market value of the structure and real estate.

(w) "Supportive Services" means resources available to the resident in the community that helps to maintain their functional ability and meet their needs as identified in the individual resident assessment. Supportive services may include any of the following: medical, dental, and other health care services; transportation; recreational and leisure activities; social services; and counseling services.

COL 2026-10-26

(x) "Use" is the purpose for which land or a structure is designed, arranged, intended, occupied, or maintained.

(y) "Use Tax" is the tax that is levied on the landed value of or consumption of all property as defined by Chapter 28 of Title 11 GCA.

(z) "Zoning Law" refers to the Zoning Law of Guam, Chapter 61 of Title 21, Guam Code Annotated.

§ 58305. Special Qualifying Certificate; Defined.

Notwithstanding any other provision of law, rule, or regulation to the contrary, the Special Qualifying Certificate (QC) of the Åkton GUMA (Group Use Manåmko Accommodations) Incentive Act is a contract valid for a given period that is executed by I Maga'hågan/Maga'låhen Guåhan upon the recommendation of the Authority. This QC shall be limited to the construction of new elderly residential living housing accommodations and/or the substantial renovation of existing multiple-family dwellings where its use shall be for elderly residential living housing accommodations, as defined in this Article. The QC, once issued and unless suspended, rescinded, or revoked, shall constitute conclusive evidence of entitlement to the tax rebates, abatements, or exemptions set forth on its face.

(a) New Construction and Substantial Renovation/Improvement for Elderly Residential Living Accommodations Tax Rebate and Abatement. There shall be allowed to each developer for elderly residential living projects that exceed the affordable income threshold as shall be determined by the Authority, a tax rebate, exemption, and abatement in an amount equal to twenty-five percent (25%) of their total construction cost.

(b) New Construction and Substantial Renovation/Improvement for Affordable Elderly Residential Living Accommodations Tax Rebate and Abatement. There shall be allowed to each developer for the new construction or substantial renovation/improvement of affordable elderly residential living projects a tax rebate, exemption, and abatement in an amount equal to thirty percent (30%) of their total construction cost.

A tax rebate, exemption, and abatement as provided in Subsections (a) or (b), supra, can be applied by the developer at their discretion to the following taxes:

(1) up to one hundred percent (100%) Business Privilege Tax (BPT) abatement for twenty (20) years as long as the tax credits are available at the point they are taken. This BPT abatement shall not apply to the levy of three percentage points (3%), out of the total percentage points levied from time to time, of the BPT, the revenues from which are pledged to the Government of Guam Business Privilege Tax Bonds;

(2) up to seventy-five percent (75%) Income Tax Rebate for twenty (20) years;

(3) up to one hundred percent (100%) Real Property Tax Abatement for twenty (20) years; provided, that the fee simple owner taxpayer is the Qualifying Certificate beneficiary and that the real property is identified in their Qualifying Certificate; and

(4) up to one hundred percent (100%) of Use Tax Exemption with respect to the property used to construct, furnish, and equip the new multiple-family dwelling. The exemption shall be claimed no later than one (1) year from the issuance of the facility's occupancy permit.

(c) Application Period. Eligible developers with new residential living developments applying for this special QC pursuant to Subsections (a) and (b), supra, shall file their application prior to issuance of the construction project building permit. Eligible developers with substantial renovation/improvement residential living projects applying for this special QC pursuant to

COL 2026-10-26

Subsections (a) and (b), supra, shall be able to apply at any time, granted that for the purposes of calculating their tax benefit amount as provided in Subsections (a) and (b), supra, any construction costs invoiced prior to the official application submission date shall be deemed ineligible.

(d) Benefit Negotiations. The Authority has the sole authority to negotiate the terms of the QC. Negotiations shall be completed prior to the issuance of the housing project or multiple-family dwelling's building permit, if applicable.

(e) Any new construction or substantial renovation project as provided in this Article where the federal government offers tax credits, rebates, abatements, or exemptions shall remain eligible for this Special Qualifying Certificate.

(f) This Article shall be in compliance with the Arts in Public Buildings and Facilities pursuant to 1 GCA § 852.

§ 58306. Fees.

The Authority shall establish the fees for the Special Qualifying Certificate pursuant to this Article. As to the annual compliance monitoring fees, the fee shall be assessed annually until such time as the QC beneficiary has exhausted the total dollar amount of its QC benefit.

§ 58307. Savings for the Tenants.

If the purpose of the construction of a new elderly housing project or residential living facility, or the substantial renovation of an existing elderly residential living facility is for the developer to either resale, rent, or lease, as part of the application process for the QC, pursuant to this Article, the beneficiary shall provide a plan to the Authority as to how the approval of the QC shall translate to monetary savings for the tenants of the new or renovated residential care facility for the elderly. Failure to comply with this plan once the QC is approved and issued shall result in a suspension or revocation of the QC.

§ 58308. Construction With Other Laws.

Insofar as the provisions of the Åkton GUMA (Group Use Manåmko Accommodations) Incentive Act are inconsistent with the provisions of any other laws or regulations, in whole or in part, the provisions of this Act shall be controlling; and in particular but not by way of limitation, except as may be provided in this Article, no provision of any law or regulation shall have cause or effect in carrying out the purpose of the provisions of the Åkton GUMA (Group Use Manåmko Accommodations) Incentive Act unless I Liheslatura shall specifically so state.

§ 58309. "Sunset" Provision.

(a) This Article shall take effect upon its approval by I Maga'hågan/Maga'låhen Guåhan and shall remain in effect for ten (10) years.

(b) The GEDA Board, at its discretion, with input from I Liheslatura, the Guam Housing and Urban Renewal Authority, the Department of Public Health and Social Services, I Maga'hågan/Maga'låhen Guåhan, and the community, shall re-examine the effectiveness and need of the program to determine if it should be extended, and may extend the effectiveness of this Article for up to an additional five (5) years by adopting a resolution to such effect prior to the expiration date. Any QC issued under the conditions of this Article shall remain in full force and effect until its term expires or it is canceled on other grounds.

2022 NOTE: Subsection designations added pursuant to 1 GCA § 1606.

COL 2026-10-26