I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
374-38 (LS)	Committee on Child Welfare, Youth Affairs, Senior Citizens, Women's Affairs, Disability Services, the Arts, Culture, Historic Preservation and Hagåtña Restoration by request of *I Kongressun Manhoben Guåhan* , the Guam Youth Congress, in accordance with 2 GCA § 7102	AN ACT TO *ADD* A NEW ARTICLE 16 TO CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING TAX CREDITS TO BUSINESSES WHO PAY OFF EDUCATIONAL EXPENSES FOR THEIR EMPLOYEES, TO BE KNOWN AS THE "EMPLOYEE INVESTMENT ACT OF 2025."	10/15/26 12:58 p.m. ^10/28/26 10:42 a.m.						

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2026 (SECOND) Regular Session

Bill No. 374-38 (LS)

Introduced by: Committee on Child Welfare, Youth Affairs, Senior Citizens, Women's Affairs, Disability Services, the Arts, Culture, Historic Preservation and *Hagåtña* Restoration by request of *I Kongressun Manhoben Guåhan*, the Guam Youth Congress, in accordance with 2 GCA § 7102

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BE IT ENACTED BY THE YOUTH OF GUAM:

Section 1. Short Title. This Act shall be known as the "Employee Investment Act of 2025."

Section 2. Legislative Intent and Purpose. *I Liheslaturan Guåhan* finds that access to higher education, technical training, and professional certification remains a significant challenge for many working residents on Guam. The cost of tuition and fees often prevents employees from pursuing the skills and credentials needed to advance in their careers. This lack of access limits both personal opportunity and the overall growth of Guam's skilled workforce.

I Liheslaturan Guåhan further finds that employers across the island, particularly in critical industries such as healthcare, information technology,

construction, education, and business, continue to face persistent workforce shortages. Many businesses struggle to recruit and retain qualified local employees. This trend poses long-term challenges to Guam's economic stability and self-sufficiency.

Recognizing these challenges, *I Liheslaturan Guåhan* affirms that education and workforce development are fundamental drivers of sustainable economic growth. Investing in human capital creates more competitive employees, strengthens local businesses, and enhances Guam's overall economic resilience. Encouraging employers to participate actively in this process is an effective and collaborative strategy to address the current skills gap.

Therefore, *I Liheslaturan Guåhan* intends to add a new Article 16 to Chapter 77, Title 12, Guam Code Annotated to promote a public-private partnership approach to workforce development by incentivizing employers to invest in their employees' future. Providing tax incentives to businesses that invest in their employees' education will encourage workforce development, enhance skills, and improve employee retention within Guam. The tax credit represents a sound investment in Guam's human capital and will result in a more skilled workforce, a stronger economy, and a better future for all residents.

Section 3. A new Article 16 is hereby *added* to Chapter 77 of Title 12, Guam Code Annotated to read as follows:

"ARTICLE 16

TAX CREDITS FOR BUSINESSES WHO PAY OFF ELIGIBLE EDUCATIONAL EXPENSES FOR EMPLOYEES

§ 771601. Definitions.

§ 771602. Purpose.

§ 771603. Credit Against Business Privilege Tax.

§ 771604. Certification and Application Process.

§ 771605. Rules and Regulations.

§ 771606. GEDCA Report.

§ 771601. Definitions.

(a) "Eligible Business" means any corporation, partnership, sole proprietorship, or other business entity authorized to do business in Guam.

(b) "Eligible Educational Expenses" means expenses paid by an employer for:

(1) Tuition and fees for courses at an accredited educational institution, including universities, colleges, vocational schools, trade schools, and community colleges.

(2) Fees for professional certifications and licenses.

(c) "Employee" means an individual employed by an eligible business in Guam for at least one year. This shall include full-time and part-time employees.

(d) "Accredited Educational Institution" means an institution accredited by a regional or national accrediting agency recognized by the U.S. Department of Education.

§ 771602. Purpose.

The purpose of this Act is to establish a tax credit program to incentivize employers in Guam to invest in their employees' education, training, and professional development through direct financial support for eligible educational expenses.

§ 771603. Credits Against Business Privilege Tax.

(a) An eligible business may claim a credit against its Business Privilege Tax liability in an amount equal to fifty percent (50%) of the eligible educational expenses paid during the taxable year, up to a maximum of Two Thousand Dollars ($2,000) per employee per year.

(b) The total amount of credits certified by GEDCA under this Article shall not exceed Five Hundred Thousand Dollars ($500,000) in aggregate for all

taxpayers in any fiscal year.

(c) Credits shall be awarded on a first-come, first-served basis as determined by GEDCA, subject to verification and certification of eligibility.

(d) Any unused credit may not be carried forward or refunded.

§ 771604. Certification and Application Process.

(a) An eligible business seeking to claim the credit shall first apply to GEDCA for certification of eligibility. The application shall include:

1. Proof of payment of eligible educational expenses;

2. Verification of employee status and duration of employment; and

3. A description of the educational program or institution supported by the employer.

(b) Upon review, GEDCA shall issue a Tax Credit Certification to qualify the business, which shall be filed with the Department of Revenue and Taxation (DRT) along with the taxpayer's return for the applicable period.

(c) GEDCA may deny, suspend, or revoke any certification obtained through misrepresentation or fraud.

(d) The Department of Revenue and Taxation shall administer the application of the tax credit authorized under this Article.

§ 771605. Rules and Regulations.

The Guam Economic Development and Commerce Authority (GEDCA), in consultation with the Department of Revenue and Taxation and the Guam Department of Labor, shall promulgate rules and regulations necessary to implement this Article in accordance with the Administrative Adjudication Law within ninety (90) days of enactment.

§ 771606. GEDCA Report.

GEDCA shall submit an annual report to *I Liheslaturan Guåhan* no later than March 31 of each year, detailing:

(a) The total amount of credits issued;

(b) The number of participating businesses and employees;

(c) The economic and workforce impact of the program; and

(d) Any recommendations for amendments or funding adjustments."

Section 4. Severability. If any provision of this Act or its application to any person or circumstance is found to be invalid or inorganic, such invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 5. Effective Date. This Act shall be effective upon enactment.