




*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
<b>101-38 (COR)</b>	Jesse A. Lujan Telo T. Taitague Christopher M. Dueñas	AN ACT TO <i>ADD</i> A NEW § 26203 (f) TO ARTICLE 2, CHAPTER 26, TITLE 11 GUAM CODE ANNOTATED, RELATIVE TO EXPANDING THE BUSINESS PRIVILEGE TAX EXEMPTIONS LIST TO INCLUDE PRESCRIPTION DRUGS.	4/4/25 11:43 a.m.						

***I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN***  
**2025 (FIRST) Regular Session**

**Bill No. 101-38 (COR)**

Introduced by:

Jesse A. Lujan   
Telo T. Taitague   
Christopher M. Dueñas 

**AN ACT TO ADD A NEW § 26203 (f) TO ARTICLE 2,  
CHAPTER 26, TITLE 11 GUAM CODE ANNOTATED,  
RELATIVE TO EXPANDING THE BUSINESS  
PRIVILEGE TAX EXEMPTIONS LIST TO INCLUDE  
PRESCRIPTION DRUGS.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that  
3 due to the many challenges faced by patients in need of prescription drugs as well as  
4 local pharmacies on Guam, it is imperative to amend the current list of Business  
5 Privilege Tax Exemptions to include prescription drugs and medicines.

6 *I Liheslaturan Guåhan* further finds that pharmacies often do not determine  
7 the price charged to patients when insurances are billed, and the reimbursement  
8 issued doesn't always cover the cost of shipping or the medication cost itself. By  
9 amplifying the local pharmacy's ability to generate revenue and savings, they can  
10 expand their healthcare services and increase the availability of specialist  
11 pharmaceuticals to patients, thus effectively facilitating healthcare accessibility.

12 *I Liheslaturan Guåhan* further acknowledges the disparity of exempting non-  
13 resident or mail-order pharmacies operating in Guam but taxing local providers,

1 leaving them and the patients they serve at a disadvantage. *I Liheslaturan Guåhan*  
2 is determined to ensure equitable treatment for our local pharmacies and address this  
3 inequality by leveling the competitive landscape.

4 *I Liheslaturan Guåhan* further finds that medical and healthcare services are  
5 critical to a stable economy and healthy population. Accordingly, *I Liheslaturan*  
6 *Guåhan* seeks to achieve consistency in tax policy by caring for outpatient needs at  
7 pharmacies as well as their inpatient counterparts at hospitals.

8 *I Liheslaturan Guåhan* further finds that by decreasing the cost of prescription  
9 drugs, we can increase public health awareness and benefits. Making prescription  
10 drugs more affordable can enable better control of chronic conditions, encourage  
11 compliance with prescribed medication regimens, and reduce the spread of  
12 infectious diseases, ultimately resulting in healthier communities and an improved  
13 state of public health on Guam.

14 Therefore, it is the intent of *I Liheslaturan Guåhan* to magnify access to  
15 indispensable medications, improve public health, cultivate a more equitable  
16 business environment for local providers, and elevate the healthcare infrastructure  
17 of Guam.

18 **Section 2.** §26203 of Article 2, Chapter 26, Title 11, Guam Code Annotated  
19 is hereby amended to read as:

20 “§ 26203. Exemptions. The provisions of this Article, and the taxes levied  
21 thereunder, shall not apply to the following persons: (a) The government of Guam,  
22 except as authorized in § 60114.1(a) of Article 1 of Chapter 60, Title 21, Guam Code  
23 Annotated; the government of the United States; the government of any foreign  
24 sovereignty; and any agency or instrumentality of any of the foregoing governments  
25 in regard to any activity or function engaged in.

26 (1) Notwithstanding this Subsection

27 (a), taxes shall not be levied against any autonomous agency, public

1 corporation, and other public instrumentalities of the government of Guam  
2 with existing leases where a tax levy may affect the revenue neutrality of that  
3 autonomous agency, public corporation, and other public instrumentalities of  
4 the government of Guam to the potential detriment of existing bond ratings.

5 (b) Fraternal benefit societies, orders or associations, operating under  
6 the lodge system, or for the exclusive benefit of the members of the fraternity  
7 itself which provide for the payment of death, sick, accident or other benefits  
8 to the members of such fraternity and their dependents.

9 (c) Corporations, associations or societies organized and operated  
10 exclusively for religious, charitable, scientific or educational purposes, or the  
11 preservation of the culture historically indigenous to Guam.

12 (d) Business leagues, chambers of commerce, boards of trade, civic  
13 leagues, public schools, and organizations operated exclusively for the benefit  
14 of the community and for the promotion of social welfare, provided that no  
15 profit accrues to the benefit of the private stockholder or individual.

16 (e) Hospitals, infirmaries and sanitariums.

17 **(f) Prescription medicines.** Amounts received for prescription  
18 medicines, whether received, in whole or in part, by an insurer or by the  
19 person for whom the medicine is furnished. As used in this Subsection,  
20 prescription medicines are defined as:

21 (1) a drug that is required under federal law to be labeled with  
22 either of the following statements prior to being dispensed or delivered:

23 (i) Rx Only; or

24 (ii) Caution: Federal law restricts this drug to use by, or on  
25 the order of, a licensed veterinarian; or

1                   (2) a drug that is required by any applicable federal or state law  
2                   or rule to be dispensed pursuant only to a prescription drug order or is  
3                   restricted to use by practitioners only; or

4                   (3) medicines pursuant to a prescription drug order or medication  
5                   order from a licensed practitioner, including licensed physicians,  
6                   dentists, optometrists, podiatrists, osteopaths, pharmacists,  
7                   veterinarians, physician assistants, and advanced registered nurse  
8                   practitioners. The exemption shall apply only when sold or furnished  
9                   under one of the following conditions:

10                   (i) dispensed in accordance with law on a prescription  
11                   filled by a pharmacist with a currently valid and unrevoked  
12                   license, or

13                   (ii) furnished by or sold to a practitioner who is authorized  
14                   by a currently valid and unrevoked license to prescribe the  
15                   medicines to his or her own patient, or

16                   (iii) furnished by or sold to a health facility for treatment  
17                   of any patient pursuant to the order of a practitioner who is  
18                   authorized by a currently valid and unrevoked license to  
19                   prescribe the medicines.

20                   ~~(f)~~ (g) Totally blind, with respect to the first Three Thousand Dollars  
21                   (\$3,000.00) of gross income for each tax year.

22                   ~~(g)~~ (h) Agricultural producers and fisheries.

23                   ~~(h)~~ (i) Manufacturers, producers or importers, who shall have paid the  
24                   taxes levied by Articles 3 or 6 of this Chapter on the manufacture, production  
25                   or importation of alcoholic beverages, and tobacco; provided that any such  
26                   taxpayer claiming exemption under this Section may claim it only to the extent  
27                   of the gross proceeds of sales accruing to him from the sale to a wholesaler or

1 retailer of the product taxes under such other sections; provided further, that  
2 a person claiming exemption under this Section shall keep accounts of such  
3 sales separately and support them by sales receipts for each separate  
4 transaction which is taxable under Articles 3 or 6 of this Chapter.

5 ~~(j)~~ (j) Any person doing business as home industry and holding a  
6 business license issued pursuant to § 72157 of 11 GCA.

7 ~~(j)~~ (k) The exemption of § 26203(b), (c), (d) and (e), shall apply only to  
8 the gross income of any person included in any such subsection received:

9 (1) from the regular activities of such person, or

10 (2) from a lottery authorized under 9 GCA, Chapter 64, or

11 (3) from a carnival, fiesta, dance, athletic performance, or other  
12 similar entertainment, sponsored by such person, the profits of which  
13 are to be used exclusively for, or in furtherance of, the regular activities  
14 of such person, and shall not accrue in whole or in part to the benefit of  
15 any private stockholder or individual. Such exemptions shall be  
16 allowed only upon application to the Tax Commissioner in accordance  
17 with § 26117. The within Subsection ~~(j)~~-(k) shall not be construed to  
18 exempt from the taxes levied by this Article any person having a  
19 concession or contract from an exempt person for the furnishing or sale  
20 of any tangible property, or the furnishing of any service, from which  
21 gross income accrues to such person.

22 ~~(k)~~(l) The provisions of this Article and the taxes levied hereunder, shall  
23 not apply to the following gross income or gross proceeds of sale:”

24 **Section 3.** § 26203.1 of Article 2, Chapter 26, Title 11, Guam Code Annotated  
25 is hereby amended to read as:

1           “§ 26203.1. Exemption Limitation. The aggregate amount of exemption  
2 allowed under Items (9), (28), (29) and (30) of Subsection 26203~~(k)~~(l) of this  
3 Chapter for the taxable year shall not exceed Fifty Thousand Dollars (\$50,000.00).”

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

9           **Section 5. Enactment Date.** This Act shall be effective upon enactment.