



OFFICE OF SENATOR
Eulogio Shawn Gumataotao

38th Guam Legislature | *I Mina'trentai Ocho Na Liheslaturan Guåhan*

Senator Gumataotao on BPT Rollback Bill 11: **Grow the Economy, Not Government.**

Despite Excess General Fund Collections, Local Government Fails to Prioritize New Ambulances, and Health and Safety Facility Improvements at GMHA, GDOE, and DOC.

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Despite being given a second bite at the apple, it was next to impossible for the few critics of Senator Shawn Gumataotao's Business Privilege Tax (BPT) rollback Bill 11-38 to justify growing the government over our struggling economy.

According to GVB's month-to-date arrival comparison for April 2025, Guam recorded 50,448 arrivals or 3,415 less than the 53,863 visitors welcomed during April 2024, and 68,780 less than in the same month during FY 2019. During March 2025, GVB recorded 61,249 arrivals or 5,504 less than the 66,753 visitors welcomed during the same month in 2024, and 82,832 less than in March of FY 2019.

"While the Government of Guam might be flushed with cash, it's been a completely different story for our businesses - entrepreneurs who have sacrificed so much by believing and investing in Guam," Senator Gumataotao stated. "There are many companies, comprising the thousands of women and men who are the backbone of Guam's economy, that could have been helped if the lower BPT was restored sooner. Just visit the Tumon Sands Plaza today. Visit the shell of what was once a thriving luxury retail facility. Hollowed out by a serious lack of attention to get our tourism industry back on track post-Pandemic."

In anticipation of today's public hearing continuation on Bill 11, Guam Chamber of Commerce Chairman Tae Oh and President Catherine Castro asked senators to require an itemized government budget moving forward. "As the sector that had to contend with bridging the revenue shortfalls from 2017 to the present date, with the temporary increase of the BPT by an additional 1%, we are hoping for a return to normalcy for the business community, with a reversion to the 4% BPT," wrote Chairman Oh and President Castro in a letter dated July 3, 2025, and addressed to Finance Committee Chairman Christopher Duenas. "We have carried that responsibility for eight (8) years."

"If there is ever a time to make bold, corrective decisions, it is now," added Mr. John S. Martinez through written testimony on Bill 11. "The current rollback proposal should not just be viewed as a tax adjustment, but as an opportunity to reset our economic priorities. We must move beyond short-term political wins and toward long-term structural reform that empowers our private sector, restores balance with government employment, and ensures that the influx of federal funding does not overshadow the development of local industry."

"Restoring the BPT to 4% would be a significant and timely step toward economic relief," wrote Ms. Suzanne Perez, Guam Premier Outlets Shopping Center Manager. "Lowering the tax sends a clear message to Guam's business community: that we are serious about revitalizing the local economy, supporting job creation, and helping families keep up with the rising cost of living. It affords business owners flexibility to reinvest in their operations, make capital improvements, and offer competitive wages. The savings passed on to businesses and consumers would be immediate and meaningful."

Ms. Loisa Cabuhat and Mr. Monty McDowell from the Guam Association of Realtors offered written testimony in support of Bill 11 arguing, “the inability – or unwillingness – of the Government of Guam to return to a 4% BPT reflects a larger problem: an overreliance on taxing the private sector to make up for budget imbalances.” “Rather than right-sizing government and improving efficiency, we continue to extract more from the very businesses that generate jobs and drive economic activity.”

Based on the latest available financials, the Government of Guam estimates the General Fund will collect \$55 million above adopted levels by September 30, 2025, which includes \$13 million in excess of the adopted BPT level. Senator Gumataotao suggests that if approved, Bill 11 will strengthen ongoing efforts by local businesses to reinvest in Guam through the creation of jobs, training workers, upgrading equipment and facilities, and improving goods and services for customers.

“This isn’t theoretical,” argues Senator Gumataotao. “These are real plans being discussed by business owners throughout our island. Putting these funds back into the private sector will have ripple effects that benefit the wider community. It’s an investment, not just in business, but in families.”

For more information, please contact Senator Gumataotao’s office at (671) 647-1409/1411 or via email at office.senatorshawn@guamlegislature.gov.