

Calendar No. 438

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 309**

**[Report No. 107-173]**

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IN THE SENATE OF THE UNITED STATES

MAY 2, 2001

Received; read twice and referred to the Committee on Energy and Natural  
Resources

JUNE 24, 2002

Reported by Mr. BINGAMAN, without amendment

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**AN ACT**

To provide for the determination of withholding tax rates  
under the Guam income tax.

1        *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. GUAM FOREIGN INVESTMENT EQUITY ACT.**

2 (a) SHORT TITLE.—This section may be cited as the  
3 “Guam Foreign Investment Equity Act”.

4 (b) IN GENERAL.—Subsection (d) of section 31 of the  
5 Organic Act of Guam (48 U.S.C. 1421i) is amended by  
6 adding at the end the following new paragraph:

7 “(3) In applying as the Guam Territorial income tax  
8 the income-tax laws in force in Guam pursuant to sub-  
9 section (a) of this section, the rate of tax under sections  
10 871, 881, 884, 1441, 1442, 1443, 1445, and 1446 of the  
11 Internal Revenue Code of 1986 on any item of income  
12 from sources within Guam shall be the same as the rate  
13 which would apply with respect to such item were Guam  
14 treated as part of the United States for purposes of the  
15 treaty obligations of the United States. The preceding sen-  
16 tence shall not apply to determine the rate of tax on any  
17 item of income received from a Guam payor if, for any  
18 taxable year, the taxes of the Guam payor were rebated  
19 under Guam law. For purposes of this subsection, the  
20 term ‘Guam payor’ means the person from whom the item  
21 of income would be deemed to be received for purposes  
22 of claiming treaty benefits were Guam treated as part of  
23 the United States.”.

1       (c) EFFECTIVE DATE.—The amendment made by  
2 subsection (b) shall apply to amounts paid after the date  
3 of the enactment of the Act.

Passed the House of Representatives May 1, 2001.

Attest:

JEFF TRANDAHL,

*Clerk.*

By MARTHA C. MORRISON,

*Deputy Clerk.*

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