

<b>FORM 3487</b> (Attach to Form GRT-1)	<b>EXEMPTION to the BPT Increase</b> <b>(Public Law 34-87)</b>	DEPARTMENT OF REVENUE AND TAXATION GOVERNMENT OF GUAM
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<b>NAME OF TAXPAYER</b>	<b>TAX PERIOD</b>	<b>EIN/SSN</b>
	<b>MONTH:</b> <b>YEAR:</b>	

Part I. Itemized List of Qualified Contracts		CONTRACT AMOUNT FOR THE MONTH			
(A) CONTRACT NAME	(B) CONTRACT DATE	(C) TOTAL CONTRACT AMOUNT	(D) BEGINNING BALANCE	(E) AMOUNT REPORTED	(F) ENDING BALANCE
<b>TOTAL</b>					

Part II. Itemization by Business Activity					
BUSINESS ACTIVITY OR KIND OF TAX	(A) GROSS RECEIPT VALUE	(B) EXEMPTION OR DEDUCTION	(C) TAXABLE AMOUNT VALUE	(D) TAX RATES	(E) 1% EXEMPTION
1. WHOLESALING				1%	
2. RETAILING				1%	
3. SERVICE				1%	
4. RENTAL REAL PROP.				1%	
5. RENTAL OTHERS				1%	
6. PROFESSION				1%	
7. COMMISSION				1%	
8. INSURANCE PREMIUM				1%	
9. CONTRACTING (LOCAL)				1%	
10. CONTRACTING (US)				1%	
11. INTEREST				1%	
12. AMUSEMENT				1%	
13. OTHERS				1%	
14. TOTAL	<b>TOTAL 1% EXEMPTION (INCLUDE THIS AMOUNT ON LINE 45, FORM GRT-1)</b>				

Under the penalties of perjury, I declare that I have examined this return, including accompanying schedule and statements, and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

<b>SIGNATURE (TAXPAYER OR AUTHORIZED AGENT)</b>	<b>PRINT NAME</b>	<b>DATE</b>

# FORM 3487 INSTRUCTIONS

## **Purpose of Form 3487:**

Effective April 1, 2018, the Business Privilege Tax (BPT) rate increased from 4 percent (4%) to 5 percent (5%) with the passage of Public Law 34-87. This public law also included a sunset provision to end the increase on September 30, 2018 and allow for Exemptions to the BPT increase and General Sales Tax for those contracts which were either negotiated or entered into prior to the 1 percent (1%) tax increase. While Public Law 34-113 repealed General Sales Tax in its entirety, Public Law 34-116 extended the 5% BPT rate effective October 1, 2018. To claim this 1% exemption, each taxpayer must complete this form and attach it to their monthly Business Privilege Tax Return.

## **What Contracts Qualify for the 1% Exemption:**

The 1% BPT increase shall not apply to the income generated from the following;

- (1) Contracts entered into or awarded prior to enactment of P.L. 34-87, which were based upon bid awards made prior to passage of this public law and that cannot be amended or renegotiated to accommodate the business privilege tax increase; and
- (2) Contracts entered into or awarded after enactment of P.L. 34-87, which were based upon bids or proposals submitted prior to enactment of this public law and that cannot be amended or renegotiated to accommodate the business privilege tax increase.

## **Who Qualifies for the 1% Exemption:**

The 1% Exemption is allowed for qualifying taxpayers that are engaged in the following type of activities;

- (1) Upon every person engaging or continuing within Guam in the business of selling any tangible property as defined under section 26202(a), Title 11 of the Guam Code Annotated;
- (2) Service business as defined under section 26202(c), Title 11 of the Guam Code Annotated;
- (3) Professions as defined under section 26202(d), Title 11 of the Guam Code Annotated;
- (4) Contractors as defined under section 26202(e), Title 11 of the Guam Code Annotated;
- (5) Banks, banking institutions, small lenders and building and loan associations as defined under section 26202(f), Title 11 of the Guam Code Annotated;
- (6) Persons dealing in foreign currency as defined under section 26202(g), Title 11 of the Guam Code Annotated;
- (7) Other business as defined under section 26202(h), Title 11 of the Guam Code Annotated;
- (8) Insurers as defined under section 26202(i), Title 11 of the Guam Code Annotated; and
- (9) Tour Agencies as defined under section 26202(j), Title 11 of the Guam Code Annotated.

## **Part I, Column-by-Column Instruction:**

**Column (A). Contract Name.** Enter the name of the company or individual that you contracted with.

**Column (B). Contract Date.** Enter the date the contract became binding to the parties involved (i.e., the date the contract cannot be amended or renegotiated).

**Column (C). Total Contract Amount.** Enter the total amount you expected to receive or earn from the contract.

**Column (D). Beginning Balance.** Enter the qualified amounts you have not reported on your BPT return.

**Column (E). Amount Reported.** Enter the amount you are reporting for this month. The total amount reported on Part I, Column (E) must match the total amount reported on Part II, column (A), Gross Receipts Value.

**Column (F). Ending Balance.** Enter the remaining qualified amounts you have not reported on your BPT return. Beginning Balance less Amount Reported = Ending Balance (D-E=F).

## **Part II, Itemization of Contracts claimed for the tax period:**

**Column (A), (B), and (C).** Enter ONLY the Contract Amounts for each Activity.

**Column (E).** Compute the 1% Exemption Amount.

**Total the Exemption amounts on Line 14, Column E and include on Line 45, Form GRT-1.**