



Office of the Speaker
THERESE M. TERLAJE

I Mina'trentai Sais na Liheslaturan Guåhan | 36th Guam Legislature
Committee on Health, Land, Justice and Culture

Speaker to proffer amendments to FY 2022 budget bill to ensure Earned Income Tax Credit and Child Tax Credit reimbursements are locked away and immediately paid

FOR IMMEDIATE RELEASE (August 13, 2021 – Hagåtña, Guam) Speaker Therese Terlaje sent the Appropriations Chairman several floor amendments today that would set aside the anticipated federal cash reimbursement of the Earned Income Tax Credit (EITC) and Child Tax Credit payments in the FY 2022 to lock them away and ensure they are not appropriated for other purposes.

The proposed amendments would ensure that GovGuam has a sufficient amount of cash to quickly pay all tax refunds eligible for the EITC refund and all Child Tax Credit payments. The amendments are similar to her Bill No. 175-36 that was introduced prior to the release of the Substitute Bill No. 55-36, the FY 2022 appropriations bill.

“With the influx of federal dollars to Guam, we must make it very clear that our priority is to get this money out to the people, especially when it comes to their tax refunds, Earned Income Tax Credits and Child Tax Credits. In previous years, GovGuam has held on to tax refunds in order to pay itself first. We have seen great improvements and want to continue to aim for the payment of refunds within 30 days. Prompt payment of EITC and CTC will help to offset the loss of the PUA for families in need,” stated Speaker Terlaje.

Part of the American Rescue Plan Act of 2021 included language that would provide a 100% cost reimbursement from the federal government for EITC obligations to the government of Guam beginning in 2021 and for all following tax years. Prior to passage of the American Rescue Plan Act of 2021, the EITC obligations for Guam would range between \$55 and \$60 million dollars annually and would be paid using local tax revenues.

The American Rescue Plan Act of 2021 also included language that would provide federal funds to Guam to pay Child Tax Credit obligations which in previous years would amount to \$30 M paid using local tax revenues. The ARP Act of 2021 also increased the amount of Child Tax Credits per family from a maximum amount of \$2000 to now \$3600.

The floor amendments have been attached.

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Guam Congress Building, 163 Chalan Santo Papa, Hagåtña, Guam 96910

Tel: (671) 472-3586 | Fax: (671) 969-3590 | Email: senatorterlajeguam@gmail.com | www.senatorterlaje.com

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