

Guam

Guam is a duty-free port. According to one source, "[S]ince Guam is an island economy, the need for imports to meet local demands is readily apparent." <sup>\*/</sup> Thus no duties are levied on imported goods. The only countries to which this policy is applicable are North Korea and North Vietnam; also, up to \$100 worth of goods from Mainland China may be brought into Guam.

Furthermore, as is the case with respect to United States goods entering Puerto Rico, the Virgin Islands or American Samoa, United States imports to Guam are exempt from any tax imposed by the internal revenue laws of the United States and drawback provisions apply. (See 26 USC § 7653(b) and (c), quoted above).

Guam does, however, impose a 4% tax on the landed cost of all personal property which is imported into the island for the use of the person bringing it in. No such tax is imposed on property imported for resale. <sup>\*\*/</sup>

Guam's manufactured exports are afforded preferential tariff treatment by the United States: If over 50% of the final value of the good is added by Guamian manufacture, it may enter the United States duty-free. 48 USC § 142(e) provides:

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<sup>\*/</sup> Johnson, Facts About Doing Business in Guam at 5.

<sup>\*\*/</sup> Johnson, supra, at 17.