



# Department of Revenue and Taxation



**JOHN P. CAMACHO**  
Director



## MISSION STATEMENT

*To provide quality service in helping our island community to understand and meet tax and licensing responsibilities by applying the Tax Laws and Regulations with fairness and integrity to All.*



**MARIE M. BENITO**  
Deputy Director

## GUAM TAX STRUCTURE

The U.S. Congress created the Territorial Government of Guam as a separate taxing jurisdiction by enactment of the Organic Act of Guam in 1950. Section 31 of the Act provides that the income tax laws in force in the United States shall be the income tax laws of Guam, substituting Guam for the United States where necessary and omitting any inapplicable or incompatible provisions. The U.S. Internal Revenue Code with such changes constitutes the Guam Territorial Income Tax Law.

There is the usual range of other types of local taxes such as, real property, liquor, tobacco, liquid fuel, automotive surcharges, gross receipts, use, and hotel occupancy. However, there is only one taxing authority in the Territory, the Government of Guam. There are no separate municipal, county, school district or improvement district taxes. Additionally, Guam does not impose a general sales tax directly on the consumer.

### AGENCY OBJECTIVES

- Improve and enhance the tax system so as to decrease the burden that any such system imposes on the public.
- Provide quality services in a cost-effective and timely manner through maximizing the use of all resources available.
- Administer, enforce, and educate the public of all tax laws and business regulations to attain the highest degree of voluntary compliance, and the trust and confidence of the general public.

### AGENCY CHALLENGES

- Providing quality services to the public with limited staff due to attrition and/or resignation.
- Implementing unfunded mandates or policy process amendments created by Legislature.
- Adequate and permanent department accommodation facilities to better serve the public.
- Insufficient funding for fully functional electronic systems, machines, and equipment to insure the proper safeguarding of taxpayer assets and information.
- Continued efforts to integrate all tax payments from DOA.

# Financial Statement & Staffing Pattern

	FY 2012	FY 2013	FY 2014
<b>BUDGET APPROPRIATIONS</b>			
General Fund	9,738,912	9,784,697	9,015,615
Tax Collection Enhancement Fund	667,009	686,717	835,484
Better Public Service Fund	1,422,747	1,390,554	1,620,468
Federal Grant Fund	350,000	350,000	350,000
Real Property Reevaluation	0	1,400,000	1,400,000
Transaction Processing System	0	0	400,000
Principal Guam Income Tax Attorney	0	0	13,647
Computer System Upgrade/Integrated	0	0	0
Process Stimulus Tax Rebates	0	0	0
Monitoring Hotel Occupancy Tax	0	0	0
Monitoring Tobacco and Alcohol	0	0	0
Safe Home/Streets	0	0	0
Banking and Insurance Enforcement Fund	0	0	0
Sale and Measure of Petroleum	0	0	0
<b>Total Appropriations</b>	<b>12,178,668</b>	<b>14,111,968</b>	<b>13,635,214</b>
<b>EXPENDITURES</b>			
Personnel	7,549,850	7,833,965	7,826,264
Travel	8,072	22,580	18,180
Contractual Services	1,158,882	1,919,975	2,467,114
Office Space Rental	1,017,897	988,088	963,381
Supplies & Materials	55,232	74,409	98,819
Equipment	88,090	0	0
Utilities	0	95,414	91,983
Capital Outlay	0	0	0
Miscellaneous (Sub-Recipient/Grants)	0	0	0
<b>Total Expenditures</b>	<b>9,878,023</b>	<b>10,934,431</b>	<b>11,465,741</b>

DIVISION	FY12	FY13	FY14	DIVISION	FY12	FY13	FY14
<b>EXECUTIVE DIRECTION</b>				<b>REGULATORY DIVISION</b>			
Director's Office	6	8	9	General Licese & Registration	6	6	6
Passport	4	7	7	Compliance	4	4	3
Technical Research & Appeals Bureau	3	2	1	Insurance, Banking, Securities & Real Estate	8	8	9
Systems & Programming Support	3	2	2	Weights & Measures	3	3	3
<b>DIVISION TOTALS</b>	<b>16</b>	<b>19</b>	<b>19</b>	<b>DIVISION TOTALS</b>	<b>21</b>	<b>21</b>	<b>21</b>
<b>TAX ENFORCEMENT DIVISION</b>				<b>REAL PROPERTY TAX DIVISION</b>			
Criminal Investigation Branch	6	7	7	Appraisal	9	9	9
Tax Examination Branch	20	20	21	Assessment	7	7	8
Collection Branch	28	29	25				
<b>DIVISION TOTALS</b>	<b>54</b>	<b>56</b>	<b>53</b>	<b>DIVISION TOTALS</b>	<b>16</b>	<b>16</b>	<b>17</b>
<b>TAXPAYER SERVICE DIVISION</b>				<b>MOTOR VEHICLE</b>			
Accounting Branch	7	6	7	Driver's License Examination	9	9	8
Central Files Branch	5	5	7	Vehicle Registration	9	6	9
Income Tax Assistance & Processing Branch	13	14	15	Motor Carrier Safety Assistance Program	7	7	7
Electronic Data Processing/SWICA Branch	9	9	7				
Business Privilege Tax Branch	8	6	6				
<b>DIVISION TOTALS</b>	<b>42</b>	<b>40</b>	<b>42</b>	<b>DIVISION TOTALS</b>	<b>25</b>	<b>22</b>	<b>24</b>

FISCAL YEAR	FY12	FY13	FY14
<b>TOTAL STAFFING</b>	<b>174</b>	<b>174</b>	<b>176</b>



# Performance Accomplishments

ACTIVITIES	FOO TNO TE	2012		2013		2014	
		Branch Units	Amount Assessed or Collected	Branch Units	Amount Assessed or Collected	Branch Units	Amount Assessed or Collected
Alcohol Beverage Licenses		957	\$ 736,500	922	\$ 741,735	1,023	\$ 771,800
Amusement Devices		1,719	335,486	1,857	354,514	1,678	340,229
Recreational Facilities		315	32,781	298	32,325	307	31,900
ABC Cards Processed		1,776	30,400	1,727	29,135	1,776	29,030
Guam Healthcare Trust & Other Events				670	253,623	360	180,000
Special Display & Tasting/Sampling Events						13	325
<b>Total Performance: ABC Compliance Branch</b>		<b>4,767</b>	<b>\$ 1,135,167</b>	<b>5,474</b>	<b>\$ 1,411,332</b>	<b>5,157</b>	<b>\$ 1,353,284</b>
Business Licenses		22,945	\$ 2,129,070	22,901	\$ 2,304,017	23,190	\$ 2,272,160
Tobacco Licenses		460	64,381	454	62,641	454	73,273
Reg. of Corporations & related documents		8,648	779,087	8,967	828,741	9,281	880,066
<b>Total Performance: Business License Branch</b>		<b>32,053</b>	<b>\$ 2,972,538</b>	<b>32,322</b>	<b>\$ 3,195,399</b>	<b>32,925</b>	<b>\$ 3,225,499</b>
Insurance Licenses		1,502	\$ 135,625	1,614	\$ 150,861	1,662	\$ 152,275
Securities Licenses		759	365,830	650	254,264	622	200,750
Real Estate Licenses		52	14,090	161	34,230	72	28,800
UCC Filings		525	5,250	973	9,730	415	4,150
<b>Total Performance: ISBRE Branch</b>		<b>2,838</b>	<b>\$ 520,795</b>	<b>3,398</b>	<b>\$ 449,085</b>	<b>2,771</b>	<b>\$ 385,975</b>
Scales		506	\$ 3,544	494	\$ 3,256	526	\$ 3,054
Gas Pump Meters		705	7,050	1,033	10,330	1,093	10,930
Taxi Meters		222	4,440	258	5,160	274	5,480
<b>Total Performance: Weights &amp; Measures</b>		<b>1,433</b>	<b>\$ 15,034</b>	<b>1,785</b>	<b>\$ 18,746</b>	<b>1,893</b>	<b>\$ 19,464</b>
Passport Applications - Adults		7,068	\$ 883,455	7,180	\$ 889,675	7,556	\$ 930,310
Passport Applications - Minors		4,840	508,200	4,547	477,435	4,365	458,325
<b>Total Performance: Passport Branch</b>		<b>11,908</b>	<b>\$ 1,406,689</b>	<b>13,512</b>	<b>\$ 1,385,856</b>	<b>13,814</b>	<b>\$ 1,408,099</b>
Income Tax Examinations	5	1,036	\$ 4,711,704	873	\$ 3,219,411	848	\$ 10,395,896
Business Privilege Tax Examinations	5	26	4,224,878	17	608,605	96	2,282,036
<b>Total Performance: Examination Branch</b>		<b>1,062</b>	<b>\$ 8,936,582</b>	<b>890</b>	<b>\$ 3,828,016</b>	<b>944</b>	<b>\$ 12,677,932</b>
Driver's Licenses		38,965	\$ 1,366,373	31,491	\$ 1,014,655	28,737	\$ 871,274
Permits (All types)		4,654	46,540	7,039	70,440	3,877	38,810
Vehicle Registrations		111,088	14,689,553	112,450	14,557,016	113,999	15,039,015
<b>Total Performance: DMV</b>		<b>154,707</b>	<b>\$ 16,102,466</b>			<b>146,613</b>	<b>\$ 15,949,099</b>
Collection of Income Taxes			\$ 26,715,399		\$ 30,658,147		\$ 18,754,407
Collection of Bus. Privilege Taxes			8,907,923		10,746,920		10,947,016
<b>Total Performance: Collection Branch</b>			<b>\$ 35,623,322</b>		<b>\$ 41,405,067</b>		<b>\$ 29,701,424</b>
Real Property Tax Assessments		67,893	\$ 20,817,338	66,627	\$ 21,019,765	67,463	\$ 21,529,590
Real Property Tax Collections			\$ 20,842,108		21,091,757		\$ 23,378,675
<b>Total Performance: Real Property Tax Branch</b>							
Inspections		3,046		2,668		2,607	
<b>Total Performance: Motor Carrier</b>		<b>3,046</b>		<b>2,668</b>		<b>2,607</b>	
			<b>Branch Units</b>		<b>Branch Units</b>		<b>Branch Units</b>
<b>Business Privilege Tax (BPT)</b>							
GuamTax.com E-Filing			59,951		67,712		76,656
<b>Electronic Data Processing Branch (EDPB)</b>							
Forms 1040, 1040A, 1040EZ filed as of 12/31/XX	1		67,384		67,474		70,204
Forms 1040, 1040A, 1040EZ processed as of 12/31/XX	1		67,337		67,461		70,204
Corporate Tax Returns filed as of 12/31/XX	1		4,350		4,590		4,832
Corporate Tax Returns processed as of 12/31/XX	1		4,342		4,584		4,831

- All units and dollar amounts are fiscal year based with the exception of Individual Income Tax forms filed and processed which are based on calendar year.
- Due to IT System challenges, certain previously generated CCR reports contained variances within FYE2012 and 2013 information statements. These adjustments have been addressed and updated herein this 2014 CCR.
- RRAg8 provides that *in no event*, Tax Enforcement performance measures are not to be used for any purpose involving setting production

and/or dollar goals, employee performance ratings, making related enforcement assessments or collections, or otherwise to undermine fair treatment of taxpayers.

- The collection or assessments above may include applicable taxes, interest, penalties, credits or other related charges within its Branch as authorized.
- Tax Examination \$ figures are "net" production computed as: Agreed & Unagreed Deficiencies, (Less): Over-Assessments- inclusive of **addl. Claims allowed per an Audit**, Plus: Claims Denied, Plus: Applicable Penalties.

## ACCOMPLISHMENTS

- Timely payments of refunds totaling approximately \$140 million and almost 75K tax returns processed.
- The near completion of the Real Property Tax Revaluation Project since the 1993 Triennial Revaluation Assessment Study (1994 Certified; 1995 values were made effective).
- The reconciliation and receipt of over \$40 million in Section 30 monies that were in arrears decades ago.
- Awarded on-line services contract for Vehicle Registration, Business Licenses and On-line Payments.

## FUTURE OUTLOOK

- To continue in reinforcing and restoring public confidence in Guam's tax system.
- To expend to its fullest capability, E-Services in improving and enhancing service to Guam taxpayers and the island community while insuring security and safeguarding of taxpayer assets and information.
- To construct a permanent facility, fashioned to safely and efficiently service the public.
- To work with Department of Administration in establishing a unified accounting system.
- To complete the 2014 Real Property Tax Revaluation and conduct future valuations in real-time consistent with Guam laws.

## AGENCY DIVISION CONTACT

### ONLINE SERVICES

- [www.guamtax.com](http://www.guamtax.com)
- [www.govguamdocs.com](http://www.govguamdocs.com)
- <https://pay.guam.gov>
- <https://realiddrt.guam.gov>
- [www.myguamtax.com](http://www.myguamtax.com)

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