

# Department of Revenue and Taxation

*Dipåtamenton Kontribusion yan Adu'aña*



# 2011

## Citizen Centric Report

### MISSION STATEMENT

To provide the Taxpayers of Guam top quality service by helping them to understand and meet their tax and licensing responsibilities by applying the Tax and Licensing Laws of the Guam Code Annotated (GCA) and the Guam Territorial Income Tax Code (GTITC) with fairness and integrity to all.

### 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, liquor, tobacco, gasoline, real property, 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. Also, there is no general sales tax imposed directly on the consumer.

### GOALS and OBJECTIVES

- ◆ Increase enforcement efforts to establish and maintain public confidence in the tax system of Guam.
- ◆ To increase taxpayer awareness of tax law and reporting responsibilities in achieving a high degree of voluntary compliance.
- ◆ Increase efforts to regulate holders of licenses (business, insurance, banking, securities, motor vehicle, and alcohol) for the protection of the consumers of Guam from unsafe, unsound and unfair practices.
- ◆ To improve e-commerce options
- ◆ To provide quality services in a cost-effective and timely manner



**JOHN P. CAMACHO**  
Director



**MARIE M. BENITO**  
Deputy Director

### DIVISIONS and STAFFING

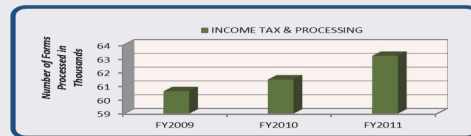
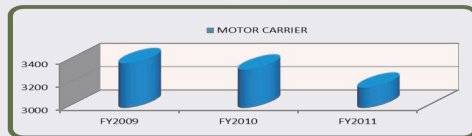
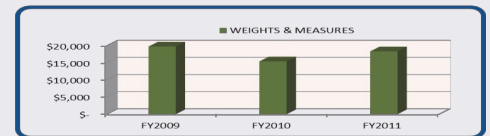
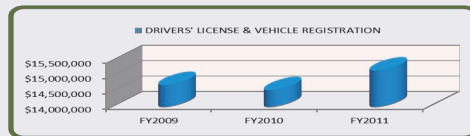
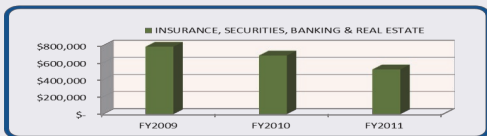
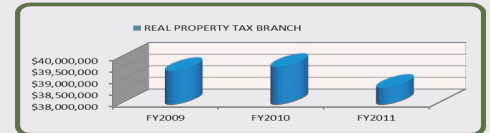
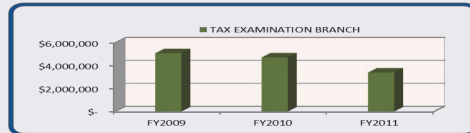
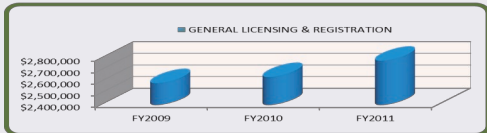
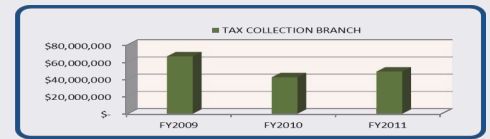
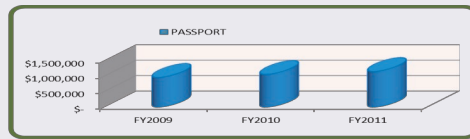
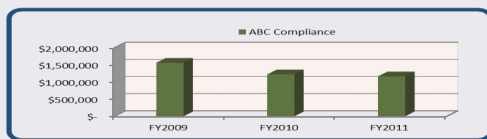
	FY09	FY10	FY11
<b>EXECUTIVE DIRECTION</b>			
Director's Office	5	5	6
Passport	3	4	4
Technical Research & Appeals Bureau	3	3	3
Systems & Programming Support	5	5	3
<b>TAX ENFORCEMENT DIVISION</b>			
Criminal Investigation Branch	6	5	6
Tax Examination Branch	18	18	24
Collection Branch	23	22	29
<b>TAXPAYER SERVICE DIVISION</b>			
Income Tax Assistance & Processing Branch	12	12	14
Electronic Data Processing/SWICA Branch	9	7	9
Business Privilege Tax Branch	7	7	8
Accounting Branch	7	6	7
Central Files Branch	5	6	7
<b>REAL PROPERTY TAX DIVISION</b>			
Appraisal	7	9	9
Assessment	5	7	7
<b>REGULATORY DIVISION</b>			
Insurance, Banking, Securities & Real Estate	6	8	8
General License & Registration	6	6	6
Compliance	5	4	4
Weights & Measures	3	3	3
<b>MOTOR VEHICLE</b>			
Driver's License Examination	9	8	7
Vehicle Registration	9	9	9
Motor Carrier Safety Assistance Program	8	7	7
<b>TOTAL</b>	<b>161</b>	<b>161</b>	<b>180</b>

Figures indicated above are based on Department Staffing Pattern.



# PERFORMANCE ACCOMPLISHMENTS

ACTIVITIES	2009		2010		2011	
	Count	Amount Assessed or Collected	Count	Amount Assessed or Collected	Count	Amount Assessed or Collected
Alcohol Beverage Licenses	1,111	\$ 741,585	1,027	\$ 770,800	978	\$ 722,000
ABC Cards	1,785	\$ 30,675	2,142	\$ 33,660	1,741	\$ 28,285
Amusement Devices	1,421	\$ 375,081	1,716	\$ 386,245	1,969	\$ 381,667
Recreational Facilities	350	\$ 414,139	233	\$ 30,388	329	\$ 32,031
<b>Total Performance: ABC Compliance Branch</b>	<b>4,667</b>	<b>\$ 1,561,480</b>	<b>5,118</b>	<b>\$ 1,221,092</b>	<b>5,017</b>	<b>\$ 1,163,983</b>
Business Licenses	20,783	\$ 1,885,614	18,151	\$ 1,898,356	20,888	\$ 1,944,808
Tobacco Licenses	485	\$ 54,793	447	\$ 51,901	543	\$ 60,575
Reg. of Corporations & related documents	8,403	\$ 649,136	7,808	\$ 692,545	8,794	\$ 777,700
<b>Total Performance: Business License Branch</b>	<b>29,671</b>	<b>\$ 2,589,543</b>	<b>26,406</b>	<b>\$ 2,642,802</b>	<b>30,225</b>	<b>\$ 2,783,083</b>
Insurance Licenses	1,323	\$ 226,890	1,318	\$ 263,245	1,810	\$ 178,975
Securities Licenses	1,005	\$ 505,400	773	\$ 361,950	571	\$ 281,950
Real Estate Licenses	219	\$ 44,440	222	\$ 44,020	238	\$ 48,000
UCC Filings	623	\$ 13,870	695	\$ 17,260	634	\$ 14,840
<b>Total Performance: ISB Branch</b>	<b>3,170</b>	<b>\$ 790,600</b>	<b>3,008</b>	<b>\$ 686,475</b>	<b>3,253</b>	<b>\$ 523,765</b>
Passport Applications - Adults	6,587	\$ 591,375	6,773	\$ 652,160	5,912	\$ 738,845
Passport Applications - Minors	4,392	\$ 373,320	4,674	\$ 411,890	3,996	\$ 419,580
<b>Total Performance: Passport Branch</b>	<b>10,979</b>	<b>\$ 964,695</b>	<b>11,447</b>	<b>\$ 1,064,050</b>	<b>9,908</b>	<b>\$ 1,158,425</b>
Income Tax Examinations	328	\$ 1,332,200	545	\$ 3,920,198	689	\$ 3,099,917
Business Privilege Tax Examinations	9	\$ 3,758,349	33	\$ 805,137	7	\$ 301,259
<b>Total Performance: Examination Branch</b>	<b>337</b>	<b>\$ 5,090,549</b>	<b>578</b>	<b>\$ 4,725,335</b>	<b>696</b>	<b>\$ 3,401,176</b>
Driver's Licenses	43,824	\$ 1,055,545	40,269	\$ 964,209	36,060	\$ 889,004
Learners Permits	5,070	\$ 50,700	4,778	\$ 47,780	4,577	\$ 45,770
Vehicle Registrations	105,727	\$ 13,615,868	103,803	\$ 13,542,652	109,842	\$ 14,260,599
<b>Total Performance: DMV</b>	<b>154,621</b>	<b>\$ 14,722,113</b>	<b>148,850</b>	<b>\$ 14,554,641</b>	<b>150,479</b>	<b>\$ 15,195,373</b>
Collection of Income Taxes		\$ 26,440,712		\$ 26,788,584		\$ 30,259,605
Collection of Bus. Privilege Taxes		\$ 40,307,419		\$ 15,603,512		\$ 18,795,994
<b>Total Performance: Collection Branch</b>		<b>\$ 66,748,131</b>		<b>\$ 42,392,095</b>		<b>\$ 49,055,599</b>
Real Property Tax Collections	53,611	\$ 19,219,249	52,256	\$ 19,062,029	53,675	\$ 19,690,817
Real Property Tax Assessments	64,633	\$ 20,248,100	61,603	\$ 20,580,933	65,748	\$ 19,046,683
<b>Total Performance: Real Property Tax Branch</b>	<b>118,244</b>	<b>\$ 39,467,349</b>		<b>\$ 39,642,962</b>		<b>\$ 38,737,500</b>
Scales	482	\$ 2,992	469	\$ 2,808	491	\$ 3,607
Gas Pump Meter	1,178	\$ 11,780	809	\$ 8,090	1,058	\$ 10,580
Taxi Meters	251	\$ 5,020	227	\$ 4,540	209	\$ 4,180
<b>Total Performance: Weights &amp; Measures</b>	<b>1,911</b>	<b>\$ 19,792</b>	<b>1,505</b>	<b>\$ 15,438</b>	<b>1,758</b>	<b>\$ 18,367</b>
Inspections	3,385		3,330		3,174	
<b>Total Performance: Motor Carrier</b>	<b>3,385</b>		<b>3,330</b>		<b>3,174</b>	
Forms 1040, 1040A, 1040EZ filed as of 12/31/11		60,636		61,492		63,235
Forms 1040, 1040A, 1040EZ processed as of 12/31/11		60,622		61,476		63,200



**NOTES:**

- All counts and dollar amounts are fiscal year based with the exception of Individual Income Tax Forms filed and processed which are based on calendar year.
- 2010 CCR Performance Measures were based on calendar year figures.
- RRA98 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.*

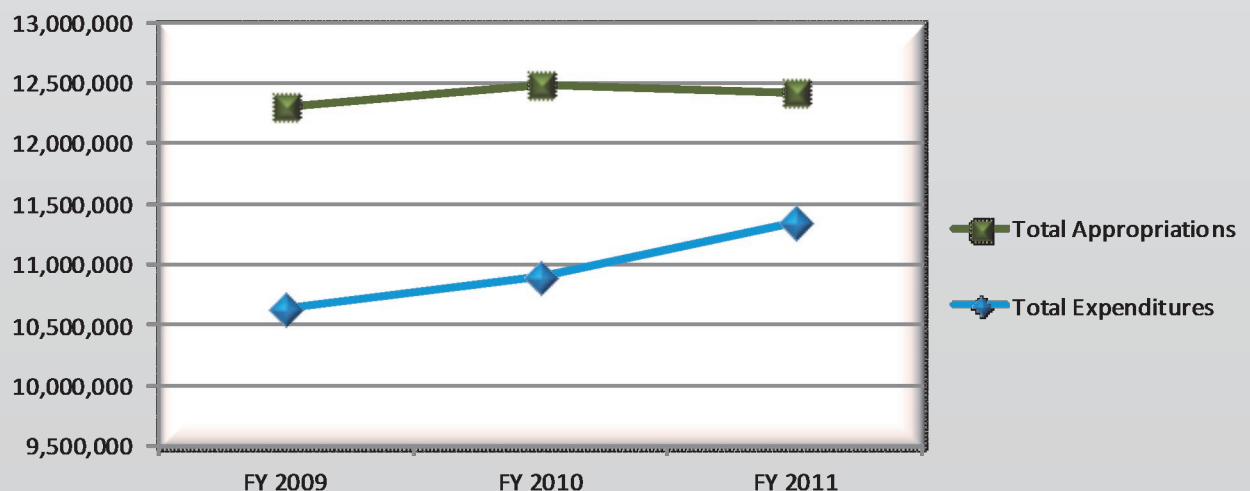
# FINANCIAL STATEMENT

## BUDGET APPROPRIATIONS

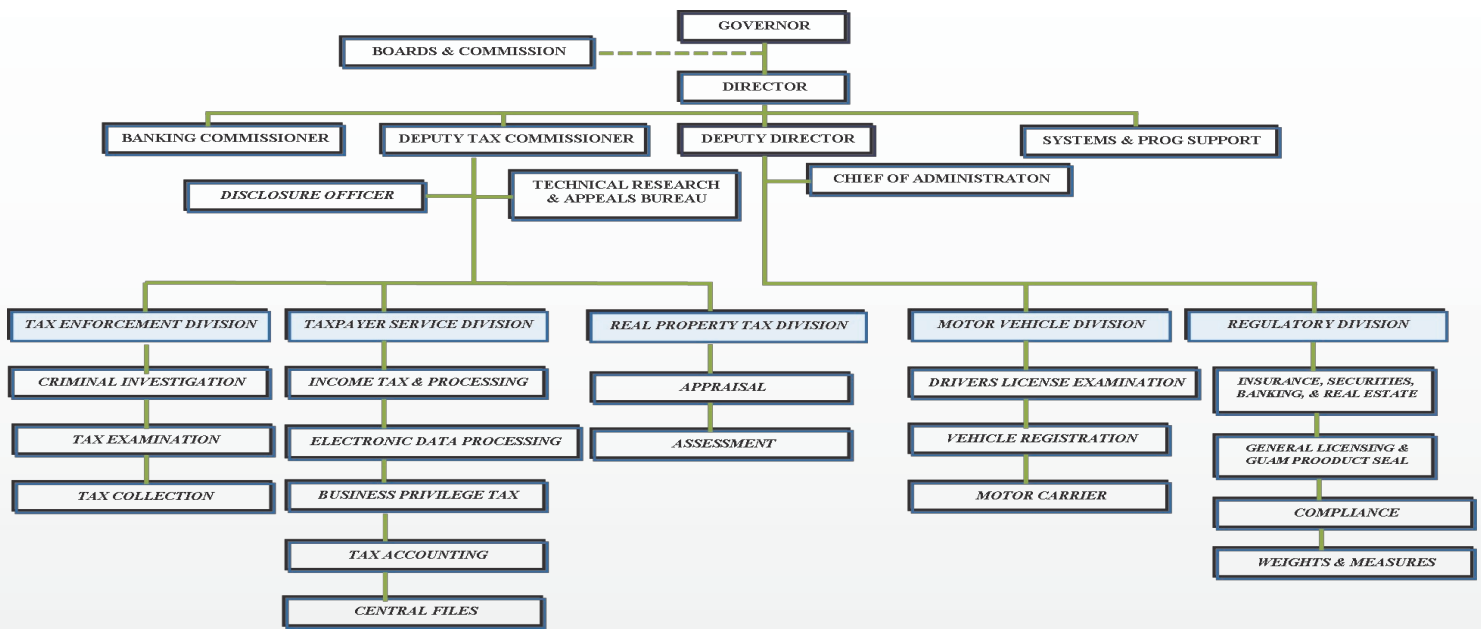
	FY 2009	FY 2010	FY 2011
General Fund	7,940,000	8,533,800	9,695,905
Tax Collection Enhancement Fund	771,706	755,482	783,738
Federal Grant Fund	350,000	350,000	350,000
Better Public Service Fund	1,550,639	1,542,232	1,585,109
Principal Guam Income Tax Attorney	300,000	300,000	0
Computer System Upgrade/Integrated	4,247	47	0
Process Stimulus Tax Rebates	384,425	31	0
Real Property Assessment Bond	1,000,000	1,000,000	0
Monitoring Hotel Occupancy Tax	1,266	0	0
Monitoring Tobacco and Alcohol	594	0	0
Safe Home/Streets	413	0	0
Banking and Insurance Enforcement Fund	0	0	0
Sale and Measure of Petroleum	0	0	0
<b>Total Appropriations</b>	<b>12,303,290</b>	<b>12,481,592</b>	<b>12,414,752</b>

## EXPENDITURES

	FY 2009	FY 2010	FY 2011
Personnel	7,534,685	8,027,388	8,461,483
Travel	86,270	2,250	8,263
Contractual Services	1,741,110	1,517,102	1,395,240
Office Space Rental	1,087,782	1,247,368	1,211,495
Supplies & Materials	64,502	31,686	126,016
Equipment	15,054	1,350	74,328
Utilities	4,334	66,266	66,933
Capital Outlay	49,900	0	0
Miscellaneous (Sub-Recipient/Grants)	48,789	0	0
<b>Total Expenditures</b>	<b>10,632,426</b>	<b>10,893,410</b>	<b>11,343,758</b>



# ORGANIZATIONAL CHART



## CHALLENGES

- ◆ Limited staff in many areas which result in compromised delivery of effective Departmental services to our island community.
- ◆ The prolonged length of time to hire newly authorized Full-Time employees in replacing those who have resigned or retired.
- ◆ To pay income tax refunds in a timelier manner to our Guam taxpayers.
- ◆ To timely assess and collect on all tax receivables for the revenues necessary in the operations of our Government.
- ◆ To collect Statistical data for managing Government cash flows and bond financing.
- ◆ Planning and scheduling Departmental training programs due to limited resources such as training personnel, training material, facilities and equipment.

## FUTURE OUTLOOK

- ◆ To install the GPAS and Tax Mapping System to Real Property Tax Division by calendar year end and commence the property revaluation as required by law.
- ◆ Await approval from Department of Interior, Office of Insular Affairs for the Technical Assistance Grant to upgrade the I Series computer system for growth and expansion in E-Services for utilization by the public and for the processing/collection efficiency of all taxes.
- ◆ To decrease waiting time for customers by identifying solutions such as computer kiosks for those wishing to conduct e-services but do not have access to computers.
- ◆ To restore public confidence in the Department's tax system through aggressive collection efforts, increased referral of civil and criminal cases, and the timely payment of tax refunds.

### REFERENCES:

- ◆ Mission Statement, G&O, and Tax Structure: DRT Performance Base Budget Committee, Administrators and, Website <https://www.guamtax.com>
- ◆ Performance Accomplishments: DRT Division Administrator/Supervisor Reports
- ◆ Divisions & Staffing and Financial Statement: DRT Website <https://www.guamtax.com>; data compiled by DRT Chief of Administration Office, Edmond Villanueva.
- ◆ Outlook and Future Challenges: Paul Pablo, Deputy Tax Commissioner