



Citizen Centric Report



2013



JOHN P. CAMACHO, Director



MARIE M. BENITO, Deputy 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 Business Regulations 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, 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 GOALS

- Provide new and updated training
- Adequately staff all divisions
- Augment on-line services
- Enhance and upgrade system programs
- Improve and develop web services
- Maximize collection efforts on tax due accounts
- To pursue the Earned Income Credit reimbursement similar to that of the ACTC reimbursement process.
- Reconcile Section 30 ledgers with the IRS, US Treasury Office
- Successfully implement the Property Tax Revaluation Project

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 CONTACT

1240 Army Drive, Barrigada, Guam 96913
(671) 635-7699 ext. 803/806/807
Office Hours: 8am-5pm Monday through Friday
(excluding holidays)

ACTIVITIES	FOOT NOTE	2011		2012		2013	
		Branch Units	Amount Assessed or Collected	Branch Units	Amount Assessed or Collected	Branch Units	Amount Assessed or Collected
Alcohol Beverage Licenses		978	\$ 722,000	957	\$ 736,500	922	741,735
ABC Cards		1,741	28,285	1,776	335,486	298	32,325
Amusement Devices		1,969	381,667	1,719	32,781	1,727	29,135
Recreational Facilities		329	32,031	315	30,400	2,475	581,636
Total Performance: ABC Compliance Branch		5,017	\$ 1,163,983	4,767	\$ 1,135,167	5,475	1,411,331
Business Licenses		20,888	\$ 1,944,808	22,863	\$ 2,120,266	22,901	2,304,017
Tobacco Licenses		543	60,575	456	66,556	454	62,641
Reg. of Corporations & related documents		8,794	777,700	6,579	561,415	8,967	828,741
Total Performance: Business License Branch		30,225	\$ 2,783,083	29,898	\$ 2,748,237	32,322	3,195,399
Insurance Licenses		1,810	\$ 178,975	1,502	\$ 135,625	1,614	150,861
Securities Licenses		571	281,950	759	365,830	650	254,264
Real Estate Licenses		238	48,000	52	14,090	161	34,230
UCC Filings		634	14,840	525	5,250	973	73,969
Total Performance: ISB Branch		3,253	\$ 523,765	2,838	\$ 520,795	3,398	513,324
Scales		491	\$ 3,607	506	\$ 3,544	494	10,330
Gas Pump Meter		1,058	10,580	705	7,050	1,033	5,160
Taxi Meters		209	4,180	222	4,440	258	3,256
Total Performance: Weights & Measures		1,758	\$ 18,367	1,433	\$ 15,034	1,785	18,746
Passport Applications - Adults		5,912	\$ 738,845	7,068	\$ 883,455	7,180	889,675
Passport Applications - Minors		3,996	419,580	4,840	508,200	4,547	477,435
Total Performance: Passport Branch		9,908	\$ 1,158,425	11,908	\$ 1,391,655	11,727	1,367,110
Income Tax Examinations		689	\$ 3,099,917	1,036	\$ 4,711,704	873	3,219,411
Business Privilege Tax Examinations		7	301,259	26	4,224,878	17	608,605
Total Performance: Examination Branch	3	696	\$ 3,401,176	1,062	\$ 8,936,582	928	3,828,016
Driver's Licenses		36,060	\$ 889,004	38,965	\$ 1,366,373	31,491	1,014,655
Permits (All types)		4,577	45,770	4,654	46,540	7,039	70,440
Vehicle Registrations		109,842	14,260,599	111,088	14,689,553	112,450	14,557,016
Total Performance: DMV		150,479	\$ 15,195,373	154,707	\$ 16,102,466		
Collection of Income Taxes			\$ 30,259,605		\$ 26,715,399		30,204,900
Collection of Bus. Privilege Taxes			18,795,994		8,907,923		10,751,995
Total Performance: Collection Branch			\$ 49,055,599		\$ 35,623,322		41,405,067
Real Property Tax Collections		53,675	\$ 19,690,817		\$ 16,887,073		18,686,459
Real Property Tax Assessments		65,748	19,046,683	66,630	20,817,338	65,581	21,568,272
Total Performance: Real Property Tax Branch							
Inspections		3,174		3,046		2,668	
Total Performance: Motor Carrier		3,174		3,046		2,668	
			Branch Units		Branch Units		Branch Units
Business Privilege Tax (BPT)							
GuamTax.com E-Filing			61,197		59,951		67,712
Electronic Data Processing Branch (EDPB)							
Forms 1040, 1040A, 1040EZ filed as of 12/31/XX	1		63,235		67,384		67,474
Forms 1040, 1040A, 1040EZ processed as of 12/31/XX	1		63,200		67,337		67,461
Corporate Tax Returns filed as of 12/31/XX	1		4,170		4,350		4,590
Corporate Tax Returns processed as of 12/31/XX	1		4,165		4,342		4,584

Budget Statement

	FY11	FY12	FY13
EXECUTIVE DIRECTION			
Director's Office	6	6	8
Passport	4	4	7
Technical Research & Appeals Bureau	3	3	2
Systems & Programming Support	3	3	2
TAX ENFORCEMENT DIVISION			
Criminal Investigation Branch	6	6	7
Tax Examination Branch	24	20	20
Collection Branch	29	28	29
TAXPAYER SERVICE DIVISION			
Income Tax Assistance & Processing Branch	14	13	14
Electronic Data Processing/SWICA Branch	9	9	9
Business Privilege Tax Branch	8	8	6
Accounting Branch	7	7	6
Central Files Branch	7	5	5
REAL PROPERTY TAX DIVISION			
Appraisal	9	9	9
Assessment	7	7	7
REGULATORY DIVISION			
Insurance, Banking, Securities & Real Estate	8	8	8
General License & Registration	6	6	6
Compliance	4	4	4
Weights & Measures	3	3	3
MOTOR VEHICLE			
Driver's License Examination	7	9	9
Vehicle Registration	9	9	6
Motor Carrier Safety Assistance Program	7	7	7
TOTAL	180	174	174

BUDGET APPROPRIATIONS			
	FY 2011	FY 2012	FY 2013
General Fund	9,695,905	9,738,912	9,784,697
Tax Collection Enhancement Fund	783,738	667,009	686,717
Federal Grant Fund	350,000	350,000	350,000
Better Public Service Fund	1,585,109	1,422,747	1,390,554
Principal Guam Income Tax Attorney	0	0	0
Computer System Upgrade/Integrated	0	0	0
Process Stimulus Tax Rebates	0	0	0
Real Property Reevaluation	0	0	1,400,000
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
Total Appropriations	12,414,752	12,178,668	14,111,968

EXPENDITURES			
	FY 2011	FY 2012	FY 2013
Personnel	8,461,483	7,549,850	7,833,965
Travel	8,263	8,072	22,580
Contractual Services	1,395,240	1,158,882	1,919,975
Office Space Rental	1,211,495	1,017,897	988,088
Supplies & Materials	126,016	55,232	74,409
Equipment	74,328	88,090	
Utilities	66,933	0	95,414
Capital Outlay	0	0	0
Miscellaneous (Sub-Recipient/Grants)	0	0	0
Total Expenditures	11,343,758	9,878,023	10,934,431

Staffing Pattern

PERFORMANCE FOOTNOTES (Page 2):

- 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.
- 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.

CHALLENGES

- Replacing and training of new employees as a result of retirement and resignation
- Inadequate staffing in all divisions
- Lack of supplies and equipment
- Consistent support in the new property software and certain other system areas.
- Taxpayer Processing System and DOA iSeries payment reconciliation.

FUTURE OUTLOOK

- Increase enforcement efforts
- Increase Taxpayer awareness of tax law and reporting responsibilities
- Increase efforts to regulate holders of licenses
- Timely refund processing and assessment and collections of taxes owed
- E-Commerce development and implementation
- Implementation of the Non-Filer Program
- E-Citation Implementation
- Augmentation of on-line services in support of DMV and Real Property divisions.

ACCOMPLISHMENTS

- Total refunds paid in FY2013: \$136,564,096
- Enhanced staffing in certain crucial areas
- Revamp of the farm exemption program
- GPAS Tax Mapping System implemented
- Hardware systems upgraded
- Taxpayer kiosk installed
- Tax Enforcement and Passport staffing
- REAL ID Act Implementation
- DMV outsourced driver's road test and online driver's scheduler.

AGENCY DIVISION CONTACT

- **TAX ENFORCEMENT DIVISION**
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ONLINE SERVICES

- www.guamtax.com
- www.govguamdocs.com
- <https://pay.guam.gov>
- <https://realiddrt.guam.gov>
- www.myguamtax.com