



OFFICE OF THE PUBLIC AUDITOR  
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Public Auditor

March 12, 2015

Honorable Michael F.Q. San Nicolas  
Senator and Chairman Committee on Finance Taxation, General Government  
Operations, and Youth Development  
33<sup>rd</sup> Guam Legislature  
155 Hesler Street  
Hagatna, Guam

Re: Bill 31-33... Relative to the Inspection of Tax Returns and Other  
Information Required to be filed or furnished by the Taxpayer...

Hafa Adai Senator San Nicolas and Committee Members:

This is to express our support for Bill 31 that would allow the Public Auditor and staff access to tax returns and other information required to be filed by the taxpayer. We especially want to thank the main sponsor of the Bill, Vice Speaker Cruz, for introducing this bill to clarify the law.

As background, during the course of OPA's audit of Hotel Occupancy Taxes (HOT) Report No. 14-04, which was an audit mandated by P. L. 32-068, the Department of Revenue and Taxation (DRT) denied OPA auditors access to HOT tax returns. DRT emphasized that the law (Title 11 GCA Section 26210) and their due diligence to protect confidential taxpayer information" are what prevented OPA auditors access.

I note that even the Internal Revenue Code, at 26 U.S.C. § 6103(d)(2), provides that returns and return information are open to inspection by state audit agencies.

We suggest that inspections in Guam be expanded to ensure access of tax information to OPA contracted auditors. Deloitte and Touché, the auditors currently contracted for the annual government-wide financial audit, are also denied taxpayer access. These auditors have done their best to work around this restriction and have done an admirable job despite the restriction. However, access to taxpayer information would make their audit much easier and timelier to complete the annual financial audits.

We urge the committee's full support of this measure.

Thank you and Sensesramente

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