



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 CONTACT

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

PERFORMANCE ACCOMPLISHMENTS

| ACTIVITIES | FOOT-NOTE | 2013 | | 2014 | | 2015 | |
|--|-----------|---------------------|------------------------------|---------------------|------------------------------|---------------------|------------------------------|
| | | Branch Units | Amount Assessed or Collected | Branch Units | Amount Assessed or Collected | Branch Units | Amount Assessed or Collected |
| Alcohol Beverage Licenses | | 922 | \$ 741,735 | 1,023 | \$ 771,800 | 1,023 | \$ 775,295 |
| Amusement Devices | | 1,857 | 354,514 | 1,678 | 340,229 | 1,403 | 323,815 |
| Recreational Facilities | | 298 | 32,325 | 307 | 31,900 | 292 | 31,500 |
| ABC Cards | | 1,727 | 29,135 | 1,776 | 29,030 | 2,403 | 39,835 |
| Guam Healthcare Trust & Other Events | | 670 | 253,623 | 373 | 180,325 | 435 | 182,315 |
| Total Performance: ABC Compliance Branch | | 5,474 | \$ 1,411,332 | 5,157 | \$ 1,353,284 | 5,556 | \$ 1,352,760 |
| Business Licenses | | 22,901 | \$ 2,304,017 | 23,190 | \$ 2,272,160 | 30,999 | \$ 2,245,373 |
| Tobacco Licenses | | 454 | 62,641 | 454 | 73,273 | 465 | 67,390 |
| Reg. of Corporations & related documents | | 8,967 | 828,741 | 9,281 | 880,066 | 6,159 | 890,323 |
| Total Performance: Business License Branch | | 32,322 | \$ 3,195,399 | 32,925 | \$ 3,225,499 | 37,623 | \$ 3,203,086 |
| Insurance Licenses | | 1,614 | \$ 150,861 | 1,662 | \$ 152,275 | 1,197 | \$ 201,688 |
| Securities Licenses | | 650 | 254,264 | 622 | 200,750 | 1,015 | 641,465 |
| Real Estate Licenses | | 161 | 34,230 | 72 | 28,800 | 216 | 44,368 |
| UCC Filings | | 973 | 9,730 | 415 | 4,150 | 681 | 15,293 |
| Total Performance: ISB Branch | | 3,398 | \$ 449,085 | 2,771 | \$ 385,975 | 3,109 | \$ 902,814 |
| Scales | | 494 | \$ 3,256 | 526 | \$ 3,054 | 574 | \$ 3,279 |
| Gas Pump Meter | | 1,033 | 10,330 | 1,093 | 10,930 | 853 | 8,530 |
| Taxi Meters | | 258 | 5,160 | 274 | 5,480 | 316 | 6,320 |
| Total Performance: Weights & Measures | | 1,785 | \$ 18,746 | 1,893 | \$ 19,464 | 1,743 | \$ 18,129 |
| Passport Applications - Adults | 5 | 7,180 | \$ 889,675 | 7,556 | \$ 930,310 | 7,985 | \$ 987,000 |
| Passport Applications - Minors | 5 | 4,547 | 477,435 | 4,365 | 458,325 | 4,428 | 464,940 |
| Total Performance: Passport Branch | | 11,727 | \$ 1,367,110 | 11,921 | \$ 1,388,635 | 12,413 | \$ 1,451,940 |
| Income Tax Examinations | 2/4 | 873 | \$ 3,219,411 | 848 | \$ 10,395,896 | 1,147 | \$ 4,573,337 |
| Business Privilege Tax Examinations | 2/4 | 17 | 608,605 | 96 | 2,282,036 | 34 | 16,307,717 |
| Total Performance: Examination Branch | | 890 | \$ 3,828,016 | 944 | \$ 12,677,932 | 1,181 | \$ 20,881,054 |
| Driver's Licenses | | 31,491 | \$ 1,014,655 | 28,737 | \$ 871,274 | 25,723 | \$ 722,337 |
| Permits (All types) | | 7,039 | 70,440 | 3,877 | 38,810 | 4,398 | 43,980 |
| Vehicle Registrations | | 112,450 | 14,557,016 | 113,999 | 15,039,015 | 116,284 | 15,133,751 |
| Total Performance: DMV | | 150,980 | \$ 15,642,111 | 146,613 | \$ 15,949,099 | 146,405 | \$ 15,900,068 |
| Collection of Income Taxes | 2 | 6,979 | \$ 30,658,147 | 7,172 | \$ 18,719,150 | 7,179 | \$ 19,491,243 |
| Collection of Bus. Privilege Taxes | 2 | 2,283 | 10,746,920 | 3,941 | 11,286,028 | 1,650 | 2,691,362 |
| Total Performance: Collection Branch | | 9,262 | \$ 41,405,067 | 11,113 | \$ 30,005,178 | 8,829 | \$ 22,182,605 |
| Real Property Tax Assessments | | 66,627 | \$ 21,019,765 | 67,463 | \$ 21,529,590 | 64,512 | \$ 28,500,549 |
| Real Property Tax Collections | | | 21,091,757 | | 23,378,675 | | \$ 25,707,660 |
| Total Performance: Real Property Tax Branch | | | N/A See above | | N/A See above | | N/A See above |
| Inspections | | 2,668 | | 2,607 | | 2,401 | |
| Total Performance: Motor Carrier | | 2,668 | | 2,607 | | 2,401 | |
| | | Branch Units | | Branch Units | | Branch Units | |
| Business Privilege Tax (BPT) | | | | | | | |
| GuamTax.com E-Filing | | | 67,712 | | 76,656 | | 71,466 |
| Electronic Data Processing Branch (EDPB) | | | | | | | |
| Forms 1040, 1040A, 1040EZ filed as of 12/31/XX | 1 | | 67,474 | | 70,204 | | 70,648 |
| Forms 1040, 1040A, 1040EZ processed as of 12/31/XX | 1 | | 67,461 | | 70,204 | | 70,648 |
| Corporate Tax Returns filed as of 12/31/XX | 1 | | 4,590 | | 4,832 | | 5,215 |
| Corporate Tax Returns processed as of 12/31/XX | 1 | | 4,584 | | 4,831 | | 5,215 |

PERFORMANCE FOOTNOTES:

1. 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; Performance measures include divisional figures (unaudited).
2. 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 on collections, or otherwise to undermine fair treatment of taxpayers.
3. The collection or assessments above may include applicable taxes, interest, penalties, credits or other related charges within its Branch as authorized.
4. 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.*
5. Change made to Passport figures for FY2013 and FY2014, due to inadvertent formula error in previous CCR publication.

STAFFING PATTERN

| DIVISION | FY13 | FY14 | FY15 |
|--|------------|------------|------------|
| EXECUTIVE DIRECTION | | | |
| Director's Office | 8 | 9 | 8 |
| Passport | 7 | 7 | 7 |
| Technical Research & Appeals Bureau | 2 | 1 | 2 |
| Systems & Programming Support | 2 | 2 | 2 |
| DIVISION TOTALS | 19 | 19 | 19 |
| TAX ENFORCEMENT DIVISION | | | |
| Criminal Investigation Branch | 7 | 7 | 7 |
| Tax Examination Branch | 20 | 21 | 20 |
| Collection Branch | 29 | 25 | 23 |
| DIVISION TOTALS | 56 | 53 | 50 |
| TAXPAYER SERVICE DIVISION | | | |
| Accounting Branch | 6 | 7 | 7 |
| Central Files Branch | 5 | 7 | 7 |
| Income Tax Assistance & Processing Branch | 14 | 15 | 14 |
| Electronic Data Processing/SWICA Branch | 9 | 7 | 7 |
| Business Privilege Tax Branch | 6 | 6 | 6 |
| DIVISION TOTALS | 40 | 42 | 41 |
| REGULATORY DIVISION | | | |
| General License & Registration | 6 | 6 | 8 |
| Compliance | 4 | 3 | 3 |
| Insurance, Banking, Securities & Real Estate | 8 | 9 | 7 |
| Weights & Measures | 3 | 3 | 2 |
| DIVISION TOTALS | 21 | 21 | 20 |
| REAL PROPERTY TAX DIVISION | | | |
| Appraisal | 9 | 9 | 8 |
| Assessment | 7 | 8 | 8 |
| DIVISION TOTALS | 16 | 17 | 16 |
| MOTOR VEHICLE | | | |
| Driver's License Examination | 9 | 8 | 10 |
| Vehicle Registration | 6 | 9 | 10 |
| Motor Carrier Safety Assistance Program | 7 | 7 | 5 |
| DIVISION TOTALS | 22 | 24 | 25 |
| TOTAL | 174 | 176 | 171 |

BUDGET STATEMENT

| | FY13 | FY14 | FY15 |
|--|-------------------|-------------------|-------------------|
| BUDGET APPROPRIATIONS | | | |
| General Fund | 9,784,697 | 9,015,615 | 10,013,790 |
| Tax Collection Enhancement Fund | 686,717 | 835,484 | 867,538 |
| Better Public Service Fund | 1,390,554 | 1,620,468 | 1,829,515 |
| Federal Grant Fund | 350,000 | 350,000 | 350,000 |
| Real Property Reevaluation | 1,400,000 | 1,400,000 | 0 |
| Transaction Processing System | 0 | 400,000 | 0 |
| Principal Guam Income Tax Attorney | 0 | 13,647 | 0 |
| Examiner Off-Duty | 0 | 0 | 28,027 |
| Limited Gaming | 0 | 0 | 150,893 |
| Computer System Upgrade/Integrated | 0 | 0 | 0 |
| Process Stimulus Tax Rebates | 0 | 0 | 0 |
| Monitoring: HOT / 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 | 14,111,968 | 13,635,214 | 13,239,763 |
| EXPENDITURES | | | |
| Personnel | 7,833,965 | 7,826,264 | 9,410,280 |
| Travel | 22,580 | 18,180 | 16,314 |
| Contractual Services | 1,919,975 | 2,467,114 | 2,832,974 |
| Office Space Rental | 988,088 | 963,381 | 960,847 |
| Supplies & Materials | 74,409 | 98,819 | 215,674 |
| Equipment | 0 | 0 | 0 |
| Utilities | 95,414 | 91,983 | 99,235 |
| Capital Outlay | 0 | 0 | 0 |
| Miscellaneous (Sub-Recipient/Grants) | 0 | 0 | 0 |
| Total Expenditures | 10,934,431 | 11,465,741 | 13,535,324 |

AUDITED REVENUES COLLECTED

| | TY2013 | TY2014 | TY2015 |
|------------------------|-----------------------|-----------------------|-----------------------|
| Income Tax | \$ 261,855,000 | \$ 296,187,000 | \$ 324,402,000 |
| Section 30 Income Tax | 96,104,113 | 87,998,215 | 71,446,424 |
| Business Privilege Tax | 221,673,000 | 238,249,000 | 226,592,000 |
| Real Property Tax | 21,263,000 | 23,263,000 | 28,033,000 |
| Hotel Occupancy Tax | 29,331,000 | 34,362,000 | 36,988,000 |
| Liquid Fuel Tax | 9,826,000 | 9,792,000 | 9,932,000 |
| Tobacco Tax | 19,615,000 | 20,961,000 | 19,723,000 |
| Beverage Tax | 780,000 | 2,208,000 | 2,778,000 |
| Excise Tax | 2,726,000 | 3,463,000 | 2,691,000 |
| Other | - | 16,950,000 | 9,160,000 |
| TOTAL | \$ 663,173,113 | \$ 733,433,215 | \$ 731,745,424 |

ACCOMPLISHMENTS

ONLINE SERVICES

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

- ◆ Timely payments of refunds for approximately **\$148,596,924**
- ◆ Completion of the Real Property Tax Revaluation Project
- ◆ Online processing of insurance licenses for brokers, surplus lines brokers and adjusters with National Insurance Producers Registry (NIPR) of National Association of Insurance Commissioners (NAIC).
- ◆ The restoration of online renewal of vehicle registrations, business licenses and driver's license scheduler
- ◆ Creation of the Business License Tax Compliance Task Force in March 2015.
- ◆ Case referral by CIB for criminal tax prosecution; last referral occurred over 10 years earlier.

FUTURE OUTLOOK

- ◆ To become Real ID compliant so that holders of Guam Driver's Licenses and Identification Cards can be federally accepted for official purposes, i.e. identification for traveling, entering federal buildings, etc.
- ◆ To upgrade and enhance computer systems for efficient delivery of services while safeguarding tax return and taxpayer information.
- ◆ To install computer kiosks for taxpayers who wish to take advantage of electronic services while visiting our Department.
- ◆ To construct a permanent facility/building designed to better serve the public while meeting the needs of department staff.
- ◆ To require mandatory e-filing for local taxes so as to minimize taxpayer burden and manual processing efforts.
- ◆ To expand electronic services to mobile applications.
- ◆ To work with the Department of Administration in establishing a unified accounting system.
- ◆ To hire in-house legal counsel to assist with complex tax and regulatory cases.
- ◆ To hire qualified staff and resolve the Unified Pay Plan inequities under appeal with Department of Administration.
- ◆ To provide IRS training in areas of Tax Service, Tax Enforcement and other Divisions within DRT.

CHALLENGES

- ◆ Providing quality services to the public while replacing and training new employees as a result of retirement and resignation.
- ◆ Implementing unfunded mandates created by Guam legislature or mirrored from the Internal Revenue Code.
- ◆ Lack of a permanent facility/building designed to better serve the public while meeting the needs of department staff.
- ◆ Insufficient funding to upgrade and enhance computer systems for efficient delivery of services while safeguarding tax return and taxpayer information.
- ◆ Continued efforts to minimize accounting discrepancies and improper billings.
- ◆ Working complex tax and regulatory cases without in-house legal counsel.

AGENCY DIVISION CONTACT

TAX ENFORCEMENT DIVISION

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TAXPAYER SERVICE DIVISION

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REAL PROPERTY TAX DIVISION

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REGULATORY DIVISION

ARTEMIO ILAGAN, Insurance & Banking Commissioner
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MOTOR VEHICLE DIVISION

MARIA FLORES, Administrator
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