

2012

Citizen Centric Report



JOHN P. CAMACHO
Director



AGENCY 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.



MARIE M. BENITO
Deputy Director

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. Also, there is no general sales tax imposed directly on the consumer.

AGENCY 2013 GOALS

- Continuing with the development of the revaluation of the property tax assessments.
- To conduct aggressive investigation on tax violations and to increase case referrals for prosecution.
- Timely assessments and aggressive collection efforts to increase revenues and decrease accounts receivables accordingly.
- To enhance online services for renewal or filings for licenses, registrations, and income tax forms, to include the establishment of mandatory filings for GRT/BPT.
- To successfully implement of the Transaction Processing System (TPS).
- To increase efforts to regulate holders of licenses to protect consumers of Guam from unsafe, unsound, and unfair practices.

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

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Office Hours: 8am-5pm Monday through Friday (excluding holidays)

PERFORMANCE ACCOMPLISHMENTS

ACTIVITIES	FOO TNO TE	2008		2009		2010		2011		2012	
		Count	Amount Collected	Count	Amount Assessed or Collected	Branch Units	Amount Assessed or Collected	Branch Units	Amount Assessed or Collected	Branch Units	Amount Assessed or Collected
Alcohol Beverage Licenses		1,025	\$ 776,275	1,111	\$ 741,585	1,027	\$ 770,800	978	\$ 722,000	957	\$ 736,500
ABC Cards		2,115	\$ 36,025	1,785	\$ 30,675	2,142	\$ 33,660	1,741	\$ 28,285	1,776	\$ 335,486
Amusement Devices		1,762	\$ 646,972	1,421	\$ 375,081	1,716	\$ 386,245	1,969	\$ 381,667	1,719	\$ 32,781
Recreational Facilities		469	\$ 74,688	350	\$ 414,139	233	\$ 30,388	329	\$ 32,031	315	\$ 30,400
Total Performance: ABC Compliance Branch		5,371	\$ 1,533,960	4,667	\$ 1,561,480	5,118	\$ 1,221,092	5,017	\$ 1,163,983	4,767	\$ 1,135,167
Business Licenses		14,415	\$ 1,952,173	20,783	\$ 1,885,614	18,151	\$ 1,898,356	20,888	\$ 1,944,808	22,863	\$ 2,120,266
Tobacco Licenses		752	\$ 132,106	485	\$ 54,793	447	\$ 51,901	543	\$ 60,575	456	\$ 66,556
Reg. of Corporations & related documents		5,627	\$ 607,071	8,403	\$ 649,136	7,808	\$ 692,545	8,794	\$ 777,700	6,579	\$ 561,415
Total Performance: Business License Branch		20,794	\$ 2,691,350	29,671	\$ 2,589,543	26,406	\$ 2,642,802	30,225	\$ 2,783,083	29,898	\$ 2,748,237
Insurance Licenses		1,186	\$ 258,722	1,323	\$ 226,890	1,318	\$ 263,245	1,810	\$ 178,975	1,502	\$ 135,625
Securities Licenses		971	\$ 504,801	1,005	\$ 505,400	773	\$ 361,950	571	\$ 281,950	759	\$ 365,830
Real Estate Licenses		252	\$ 45,588	219	\$ 44,440	222	\$ 44,020	238	\$ 48,000	52	\$ 14,090
UCC Filings		651	\$ 15,001	623	\$ 13,870	695	\$ 17,260	634	\$ 14,840	525	\$ 5,250
Total Performance: ISB Branch		3,060	\$ 824,112	3,170	\$ 790,600	3,008	\$ 686,475	3,253	\$ 523,765	2,838	\$ 520,795
Scales		436	\$ 2,739	482	\$ 2,992	469	\$ 2,808	491	\$ 3,607	506	\$ 3,544
Gas Pump Meter		728	\$ 7,280	1,178	\$ 11,780	809	\$ 8,090	1,058	\$ 10,580	705	\$ 7,050
Taxi Meters		254	\$ 5,080	251	\$ 5,020	227	\$ 4,540	209	\$ 4,180	222	\$ 4,440
Total Performance: Weights & Measures		1,418	\$ 15,099	1,911	\$ 19,792	1,505	\$ 15,438	1,758	\$ 18,367	1,433	\$ 15,034
Passport Applications - Adults		7,967	\$ 707,820	6,587	\$ 591,375	6,773	\$ 652,160	5,912	\$ 738,845	7,068	\$ 883,455
Passport Applications - Minors		4,676	\$ 395,567	4,392	\$ 373,320	4,674	\$ 411,890	3,996	\$ 419,580	4,840	\$ 508,200
Total Performance: Passport Branch		12,643	\$ 1,103,387	10,979	\$ 964,695	11,447	\$ 1,064,050	9,908	\$ 1,158,425	11,908	\$ 1,391,655
Income Tax Examinations		230	\$ 785,592	328	\$ 1,332,200	545	\$ 3,920,198	689	\$ 3,099,917	1,036	\$ 4,711,704
Business Privilege Tax Examinations		6	\$ 13,449	9	\$ 3,758,349	33	\$ 805,137	7	\$ 301,259	26	\$ 4,224,878
Total Performance: Examination Branch	⁵	236	\$ 799,041	337	\$ 5,090,549	578	\$ 4,725,335	696	\$ 3,401,176	1,062	\$ 8,936,582
Driver's Licenses		44,483	\$ 1,044,987	43,824	\$ 1,055,545	40,269	\$ 964,209	36,060	\$ 889,004	38,965	\$ 1,366,373
Permits (All types)		5,399	\$ 53,990	5,070	\$ 50,700	4,778	\$ 47,780	4,577	\$ 45,770	4,654	\$ 46,540
Vehicle Registrations		104,887	\$ 11,051,324	105,727	\$ 13,615,868	103,803	\$ 13,542,652	109,842	\$ 14,260,599	111,088	\$ 14,689,553
Total Performance: DMV		154,769	\$ 12,150,301	154,621	\$ 14,722,113	148,850	\$ 14,554,641	150,479	\$ 15,195,373	154,707	\$ 16,102,466
Collection of Income Taxes			\$ 28,855,147		\$ 26,440,712		\$ 26,788,584		\$ 30,259,605		\$ 26,715,399
Collection of Bus. Privilege Taxes			\$ 25,650,757		\$ 40,307,419		\$ 15,603,512		\$ 18,795,994		\$ 8,907,923
Total Performance: Collection Branch			\$ 54,505,904		\$ 66,748,131		\$ 42,392,095		\$ 49,055,599		\$ 35,623,322
Real Property Tax Collections				53,611	\$ 19,219,249	52,256	\$ 19,062,029	53,675	\$ 19,690,817		\$ 16,887,073
Real Property Tax Assessments			\$ 19,742,383	64,633	\$ 20,248,100	61,603	\$ 20,580,933	65,748	\$ 19,046,683	66,630	\$ 20,817,338
Total Performance: Real Property Tax Branch											
Inspections				3,385		3,330		3,174		3,046	
Total Performance: Motor Carrier				3,385		3,330		3,174			
			Branch Units		Branch Units		Branch Units		Branch Units		Branch Units
Business Privilege Tax (BPT)											
GuamTax.com E-Filing			25,695		44,246		52,694		61,197		59,951
Electronic Data Processing Branch (EDPB)											
Forms 1040, 1040A, 1040EZ filed as of 12/31/XX	¹		60,722		60,636		61,492		63,235		67,384
Forms 1040, 1040A, 1040EZ processed as of 12/31/XX	¹		60,642		60,622		61,476		63,200		67,337
Corporate Tax Returns filed as of 12/31/XX	¹		3,958		4,201		4,265		4,170		4,350
Corporate Tax Returns processed as of 12/31/XX	¹		3,953		4,198		4,259		4,165		4,342

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

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.*

Appropriations & Expenditures

BUDGET APPROPRIATIONS					
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
General Fund	8,366,227	7,940,000	8,533,800	9,695,905	9,738,912
Tax Collection Enhancement Fund	962,105	771,706	755,482	783,738	667,009
Federal Grant Fund	350,000	350,000	350,000	350,000	350,000
Better Public Service Fund	1,473,776	1,550,639	1,542,232	1,585,109	1,422,747
Principal Guam Income Tax Attorney	300,000	300,000	300,000	0	0
Computer System Upgrade/Integrated	1,261,000	4,247	47	0	0
Process Stimulus Tax Rebates	745,247	384,425	31	0	0
Real Property Assessment Bond	1,000,000	1,000,000	1,000,000	0	0
Monitoring Hotel Occupancy Tax	1,266	1,266	0	0	0
Monitoring Tobacco and Alcohol	594	594	0	0	0
Safe Home/Streets	413	413	0	0	0
Banking and Insurance Enforcement Fund	9,334	0	0	0	0
Sale and Measure of Petroleum	54,393	0	0	0	0
Total Appropriations	14,524,355	12,303,290	12,481,592	12,414,752	12,178,668

EXPENDITURES					
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personnel	7,337,149	7,534,685	8,027,388	8,461,483	7,549,850
Travel	129,755	86,270	2,250	8,263	8,072
Contractual Services	2,591,012	1,741,110	1,517,102	1,395,240	1,158,882
Office Space Rental	1,040,786	1,087,782	1,247,368	1,211,495	1,017,897
Supplies & Materials	57,641	64,502	31,686	126,016	55,232
Equipment	318,383	15,054	1,350	74,328	88,090
Utilities	62,268	4,334	66,266	66,933	0
Capital Outlay	17,500	49,900	0	0	0
Miscellaneous (Sub-Recipient/Grants)	15,774	48,789	0	0	0
Total Expenditures	11,570,268	10,632,426	10,893,410	11,343,758	9,878,023

Staffing Pattern

	FY08	FY09	FY10	FY11	FY12
EXECUTIVE DIRECTION					
Director's Office	4	5	5	6	6
Passport	4	3	4	4	4
Technical Research & Appeals Bureau	3	3	3	3	3
Systems & Programming Support	3	5	5	3	3
TAX ENFORCEMENT DIVISION					
Criminal Investigation Branch	6	6	5	6	6
Tax Examination Branch	18	18	18	24	20
Collection Branch	25	23	22	29	28
TAXPAYER SERVICE DIVISION					
Income Tax Assitance & Processing Branch	12	12	12	14	13
Electronic Data Processing/SWICA Branch	6	9	7	9	9
Business Privilege Tax Branch	7	7	7	8	8
Accounting Branch	8	7	6	7	7
Central Files Branch	5	5	6	7	5
REAL PROPERTY TAX DIVISION					
Appraisal	7	7	9	9	9
Assessment	3	5	7	7	7
REGULATORY DIVISION					
Insurance, Banking, Securities & Real Estate	4	6	8	8	8
General Licese & Registration	6	6	6	6	6
Compliance	3	5	4	4	4
Weights & Measures	4	3	3	3	3
MOTOR VEHICLE					
Driver's License Examination	5	9	8	7	9
Vehicle Registration	9	9	9	9	9
Motor Carrier Safety Assistance Program	8	8	7	7	7
TOTAL	150	161	161	180	174

AGENCY CHALLENGES

- Maintaining adequate division staffing to meet the growing demand for services
- Recruitment and retention of personnel to replace those who have resigned or retired.
- To develop and maintain timely assessments and collections of accounts receivables
- Customer service issues such as answering telephone calls and/or long waiting periods in line for services.

AGENCY FUTURE OUTLOOK

- **Customer Service Training to provide for:**
 - Efficient and quality public services
 - Effective communication for awareness of agency procedures for services
- **Tax Enforcement Training to include specialized training with the Internal Revenue Service to provide for:**
 - Increase in enforcement efforts to reduce activities of tax law violators
 - Increase in Examination cases to educate Taxpayers with tax laws and filing responsibilities
 - Increase in collection activity and aggressive collection efforts to reduce accounts receivable.
- **Effective and efficient E-Commerce services to provide for:**
 - Efficient services for the convenience of taxpayers.
- **Increase in regulatory enforcement to:**
 - Protect the consumers of Guam
 - Educate licensees of their responsibilities

AGENCY ACCOMPLISHMENTS

- Total refunds paid in 2012: \$126,054,045
- Implementation of the GPAS Tax Mapping System
- Passport staffing. Diplomatic Security Service Team reported that this office although understaffed and with minimal resources has the lowest error rate for passport processing in the nation.
- Outsourced Driver's Road Test and implementation of the Online Driver's Scheduler
- Motor Carrier Safety Assistance Program has successfully completed Program Review by the Federal Motor Carrier Safety Administration receiving an outstanding performance and outstanding accomplishments of our safety program.
- Adopted the regulations for mortgage loan originators to implement the provisions of the Guam Secure and Fair Enforcement for Mortgage Licensing Act of 2010 under our Regulatory Division.
- Established networking with various federal law enforcement and investigative divisions under our Criminal Investigation Branch.
- Phase 1 of the revaluation project has been completed resulting in 1,500 field inspections of which 291 new buildings assessments have been included into the assessment roll by Real Property Tax Division.

AGENCY DIVISION CONTACT

- **TAX ENFORCEMENT DIVISION**
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- **MOTOR VEHICLE DIVISION**
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ONLINE SERVICES

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