

# Citizen Centric Report for the DEPARTMENT OF REVENUE AND TAXATION

*Dipáttamenton Kontribusiyan Adu'áná*

Fiscal Year 2010

## MISSION

The mission is to promote quality service to all taxpayers, increase taxpayer's voluntary compliance by helping them understand and meet their responsibilities by applying the tax law with integrity and fairness to all.

## GOALS AND OBJECTIVE

- Improve the tax system so as to decrease the burden that any such tax system imposes on the public.
- Provide quality services in a cost-effective and timely manner.
- Administer and enforce all tax laws to ensure the highest degree of voluntary compliance.
- Maximize the use of all resources available in an effective and efficient manner and gain the trust and confidence from the general public in the fairness and integrity of our tax system.

## 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, admissions, amusement, recreational facilities, 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. Other than admissions, use, and hotel occupancy taxes, there is no general sales tax imposed directly on the consumer.



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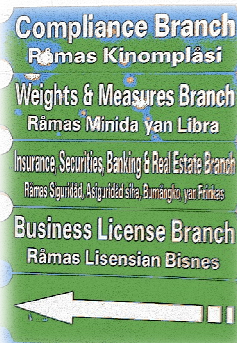
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## DIVISIONS

Division of Motor Vehicle  
Passport Office  
Real Property Tax Division  
Regulatory Division  
Tax Enforcement Division  
Taxpayer Service Division  
Technical Research & Appeals Bureau



**JOHN P. CAMACHO**  
Director



**MARIE M. BENITO**  
Deputy Director

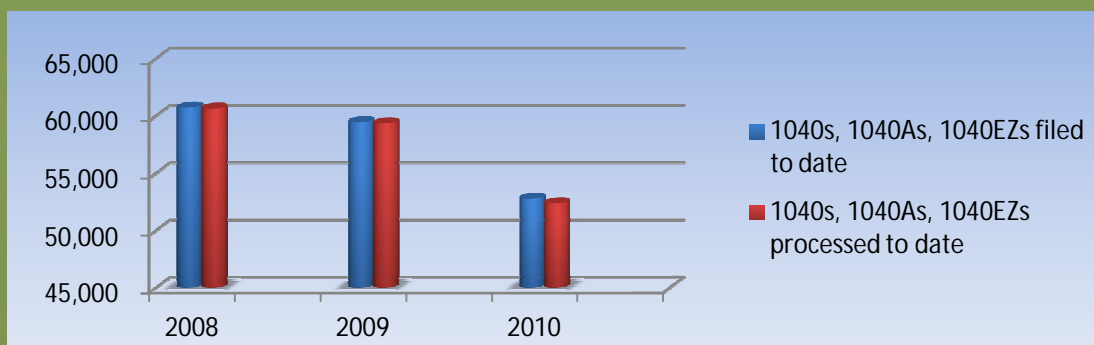
PERSONNEL	2008	2009	2010
Director's office	6	5	5
Division of Motor Vehicle	25	26	25
Regulatory Division	19	20	20
Tax Enforcement Division	48	49	52
Taxpayer Service Division	39	40	42
Real Property Tax Division	10	12	15
Passport Office	3	3	7
Systems & Programming	3	4	5
Technical Research & Appeals	5	5	5
<b>Total</b>	<b>158</b>	<b>164</b>	<b>176</b>

# PERFORMANCE MEASUREMENT

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ACTIVITIES	2008		2009		2010	
	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected
Alcohol Beverage Licenses	1,025	\$ 776,275	969	\$ 742,395	1,027	\$ 770,800
ABC Cards	2,115	\$ 36,025	1,821	\$ 31,435	2,142	\$ 33,660
Amusement Devices	1,762	\$ 646,972	1,552	\$ 387,515	1,716	\$ 386,245
Recreational Facilities	469	\$ 74,688	350	\$ 32,013	250	\$ 30,388
Business Licenses	14,415	\$ 1,952,173	15,134	\$ 1,538,916	20,267	\$ 1,990,783
Tobacco Licenses	752	\$ 132,106	390	\$ 47,253	447	\$ 51,901
Reg. of Corporations & related documents	5,627	\$ 607,071	1,452	\$ 168,868	10,834	\$ 756,450
Insurance Licenses	1,186	\$ 258,722	1,260	\$ 228,981	1,445	\$ 295,347
Securities Licenses	971	\$ 504,801	1,006	\$ 504,550	826	\$ 388,200
Real Estate Licenses	252	\$ 45,588	250	\$ 55,164	195	\$ 35,562
UCC Filings	651	\$ 15,001	622	\$ 13,498	688	\$ 17,301
Passport Applications - Adults	7,967	\$ 707,820	6,827	\$ 612,825	3,766	\$ 425,760
Passport Applications - Minors	4,676	\$ 395,567	4,480	\$ 380,800	4,543	\$ 416,155
Income Tax Examinations	230	\$ 785,592	357	\$ 3,203,399	602	\$ 1,793,391
Business Privilege Tax Examinations	6	\$ 13,449	22	\$ 4,073,110	23	\$ 157,864
Driver's Licenses	44,483	\$ 1,044,987	44,859	\$ 1,078,518	32,173	\$ 806,001
Learners Permits	5,399	\$ 53,990	4,969	\$ 49,690	3,981	\$ 39,810
Vehicle Registrations	104,887	\$ 11,051,324	106,177	\$ 11,599,446	411,557	\$ 14,015,540
Collection of Income Taxes		\$ 28,855,147		\$ 34,187,528		\$ 122,030,115
Collection of Bus. Privilege Taxes		\$ 25,650,757		\$ 55,374,204		\$ 76,198,862
Real Property Tax Assessments		\$ 19,742,383		\$ 20,363,902		\$ 20,580,933
1040s, 1040As, 1040EZs filed to date	60,722		59,451		52,768	
1040s, 1040As, 1040EZs processed to date	60,642		59,349		52,368	

*This data does not include all revenue and other activities generated by DRT such as copying fees, penalties, interest, miscellaneous filing fees, inspections, written examinations, rulings, appeals, etc. within each division*



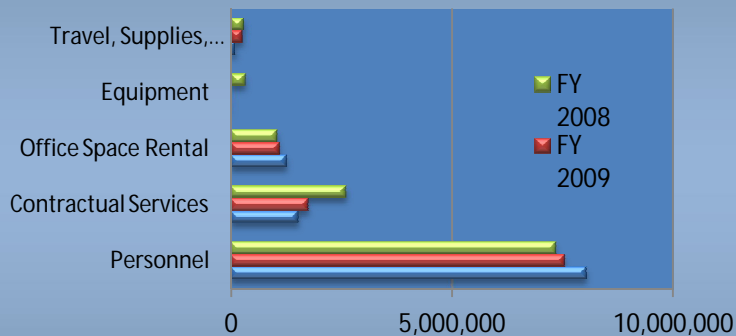
## BUDGET APPROPRIATIONS

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

## EXPENDITURES

	FY 2008	FY 2009	FY 2010
Personnel	7,337,149	7,534,685	8,027,388
Travel	129,755	86,270	2,250
Contractual Services	2,591,012	1,741,110	1,517,102
Office Space Rental	1,040,786	1,087,782	1,247,368
Supplies & Materials	57,641	64,502	31,686
Equipment	318,383	15,054	1,350
Utilities	62,268	4,334	66,266
Capital Outlay	17,500	49,900	0
Miscellaneous (Sub-Recipient/Grants)	15,774	48,789	0
<b>Total</b>	<b>11,570,268</b>	<b>10,632,426</b>	<b>10,893,410</b>

## Expenditures

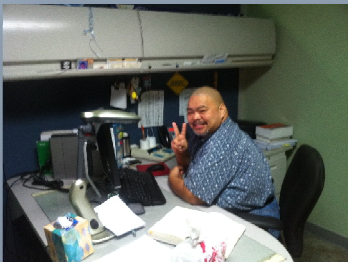


## THE CHALLENGES

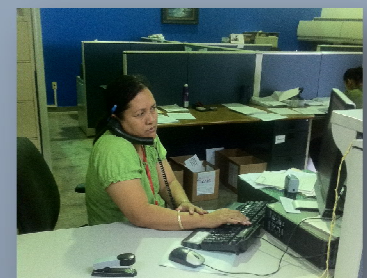
- **Outdated or limited equipment such as computers and printers which exacerbate the ever-increasing workload of DRT personnel**
- **Hiring qualified personnel, especially in the Tax Enforcement Division which includes Examination Branch, Collection Branch, and Criminal Investigation Branch**
- **Timely processing of income tax returns and issuance of income tax refunds**

## FUTURE OUTLOOK

- ❖ **Expand online filing services to include 1040 and 1040A income tax filers**
- ❖ **Mandatory filing of GRT online**
- ❖ **Get funding to implement the Tax Mapping and GPAS initiative project to boost real property tax revenue**
- ❖ **Continue to hire qualified personnel to boost income tax and gross receipts tax revenue and to shorten the wait time for taxpayer service lines**



**PAUL J. PABLO**  
Deputy Tax Commissioner



## References:

Mission, Goals and Objectives, Tax Structure, Divisions, and Staffing Pattern retrieved from DRT website:  
<https://www.guamtax.com/>

Statistical Data obtained from each division within the Department of Revenue and Taxation on August 30, 2011.  
Appropriations & Expenditures retrieved from the Guamtax.com website and information provided by Edmond Villanueva, Chief of Administration for DRT.

Outlook and Challenges provided by Paul Pablo, Deputy Tax Commissioner.