

DEPARTMENT OF REVENUE AND TAXATION

FISCAL YEAR 2022

CITIZEN CENTRIC REPORT



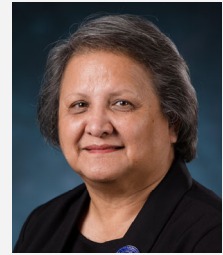
1240 Army Drive, Route 16
 Barrigada, Guam 96913
 Tel: (671) 635-1817 Fax: (671) 633-2643
 Website: <https://guamtax.com>
 Office Hours: 8am-5pm Monday through Friday



Marie P. Lizama
 Acting 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.



Michele B. Santos
 Commissioner,
 Insurance and Banking

GUAM TAX AND REGULATORY STRUCTURE AND OVERVIEW

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. In effect, the U.S. Internal Revenue Code constitutes the Guam Territorial Income Tax Law as administered by DRT. In addition to administering the GTIT, the department administers other local taxes on Guam, including the Business Privilege Tax, Real Property Tax, Excise and Tobacco Tax, Liquid Fuel Tax, Use Tax, Hotel Occupancy Taxes and Automotive Surcharges. DRT issues Real ID and non-Real ID compliant Guam IDs and Driver’s Licenses and Vehicle Registrations. The Agency houses the Guam Passport Office. DRT is responsible for the regulation of the Insurance, Securities, Banking and Real Estate industries as well as commercial motor carrier safety through Motor Carrier Safety Assistance and the Official Vehicle Inspection Station programs. The Department has oversight over and provides support for the Alcoholic Beverage Control Board, Banking & Insurance Board, Board of Equalization, Cannabis Control Board, Unarmed Combat Commission and the Real Estate Commission.

OPPORTUNITIES AND OUTCOMES

The Department continues to adapt and explore new opportunities to streamline operations designed to reduce wait and processing times to its customers. The department launched its Guam driver’s license and ID online application program late 2021. Additional staff resources were temporarily tasked to assist business privilege taxpayers with the mandatory online filing program and the LECSB tax exemption amendments. The department also implemented the IRS advance child tax credit program, as well as receiving approval for the Earned Income Tax Credit local reimbursements. Year-end 2021 saw the close of extensions granted during the COVID emergency health period.

FY 2022 Federal Aid Summary

\$231 Million in Economic Impact Payments (3)	\$12 Million in Advance Child Tax Credits	\$56 Million in Earned Income Tax Credit Reimbursements
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FY2022 Highlights

Tax Refunds Paid On Average 46 Days From Date Filed	Over 214,000 Online BPT Forms Processed	Over 478,000 Vehicle Registrations Processed
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Fiscal Year Activity

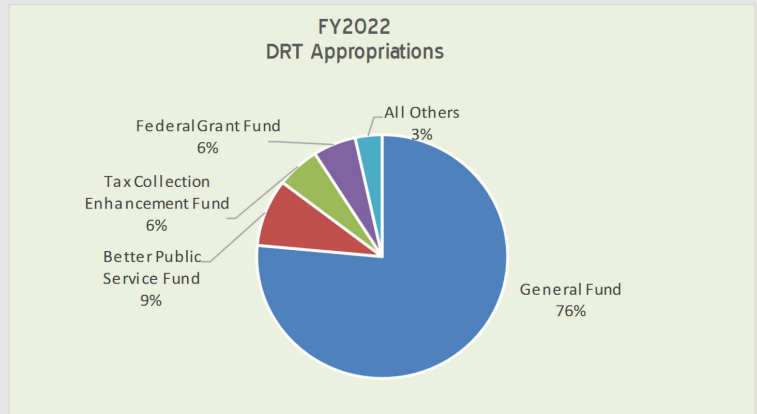
Production Highlights	Footnote	FY2022	
		Units	Revenues
Real Property Tax Assessments		61,881	\$38,542,782
Real Property Tax Branch			
Alcohol Beverage Licenses		844	\$684,100
Amusement Devices		890	\$233,370
Recreational Facilities		156	\$18,675
Alcohol Beverage Control (ABC) Cards		1,970	\$59,100
Cannabis		3	\$3,000
Compliance Branch Totals		3,863	\$998,245
Business Licenses	4	2,852	\$230,699
Tobacco Licenses	4	779	\$2,115
Regulation of Corporations Documents	4	10,046	\$872,837
General Licensing Branch Totals		13,677	\$1,105,651
Insurance Licenses		99	\$86,646
Securities Licences		1,190	\$578,100
Real Estate Licenses		344	\$77,230
UCC Filings		502	\$18,502
Insurance , Securities, Banking & Real Estate Branch Totals		2,135	\$760,478
Scales		556	\$3,893
Gas Pump Meter		949	\$9,490
Taxi Meter		220	\$4,400
Weights & Measures Branch Totals		1,725	\$17,783
Passport Applications - Adults		7,319	\$1,080,830
Passport Applications - Minors		4,765	\$629,215
Guam Passport Office Totals		12,084	\$1,710,045
GuamTax.com Mandatory E-Filing		214,024	
Business Privilege Tax Branch			
Forms 1040, 1040A, 1040EZ processed/filed	1	67,496	
Corporate Tax Returns processed/filed	1	3,178	
Electronic Data Processing Branch		70,674	
Income Tax Examinations	2/3	334	\$2,962,462
Business Privilege Tax Examinations	2/3	39	\$6,590,264
Examination Branch Totals		373	\$9,552,726
Driver's Licenses		28,760	\$875,234
Permits (all types)		5,887	\$58,870
Vehicle Registrations		478,476	\$16,053,045
Motor Vehicle Division Totals		513,123	\$16,987,149
Total Inspections		313	
Motor Carrier Assistance Program			

PERFORMANCE FOOTNOTES (FN):

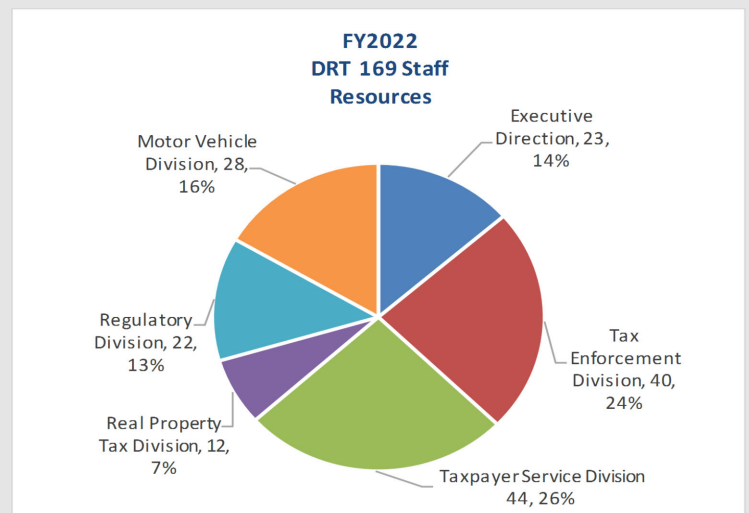
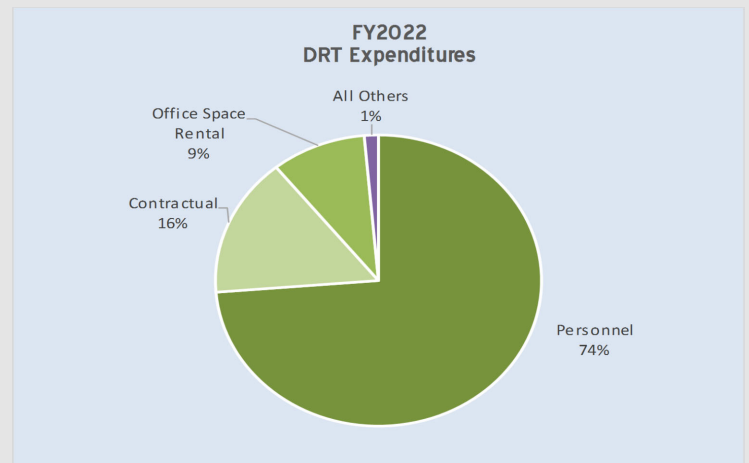
- All units described represent current year returns filed and processed during the fiscal year. Income tax returns are filed and processed after the referenced calendar year . Performance measures include divisional figures (unaudited.)
- RRA98 provides that *in no event*, tax enforcement performance 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.
- Tax Examinations dollar amounts are “net” production computed as Agreed and Un-agreed Deficiencies, (Less): Over-assessments—inclusive of additional Claims allowed per an Audit, Plus: Claims Denied, Plus: Applicable Penalties.
- FY2021 reflect the waiver of business license fees pursuant to P.L. No. 36-4.

Revenue & Budget Highlights

Tax Revenues (Audit)	FY2022
Income Tax	\$372,492,000
Business Privilege Tax	\$327,115,000
Section 30 Income Tax	\$76,141,000
Hotel Occupancy Tax	\$18,169,000
Property Tax	\$35,794,000
Tobacco Tax	\$31,643,000
Liquid Fuel Tax	\$9,353,000
Alcohol Beverage Tax	\$4,953,000
Excise Tax	\$3,562,000
Limited Gaming	\$1,473,000
Total Revenues Collected	\$880,695,000



DRT Budget Statement	
Appropriations	FY2022
General Fund	\$11,062,152
Tax Collection Enhancement Fund	\$808,767
Better Public Service Fund	\$1,291,037
Banking and Insurance Enforcement Fund	\$478,857
Federal Grant Fund	\$800,603
Examiner Off-Duty	\$3,301
DRT Asset Forfeiture Equitable Program	\$20,180
Total Appropriations	\$14,464,897
Expenditures	FY2022
Personnel	\$10,664,171
Travel/Local Mileage Reimburse	\$10,750
Contractual	\$2,238,435
Office Space Rental	\$1,359,885
Supplies & Material	\$60,629
Utilities	\$99,645
Capital Outlay	\$27,000
Drug Testing	\$1,500
Miscellaneous (Board Stipend)	\$2,882
Total Expenditures	\$14,464,897



11 GCA Subsection 1103:

Purpose of the Department



"[The Department] shall be charged with the enforcement of the tax laws of Guam and the collection of revenue. It shall also be the government agency responsible for licensing and registration as allied and connected enforcement functions."

DEPARTMENT ACCOMPLISHMENTS

- ◆ Implemented federal financial relief programs such as the EIP3, Advance Child Tax Credit and Earned Income Tax Credit Reimbursements.
- ◆ Adhered to the many legislative initiatives that reduced business privilege tax rates for certain small businesses
- ◆ Installed new computer kiosks to provide direct access and training for e-filing of BPT forms.
- ◆ Increased income tax return processing times which lead to quicker payment of refunds for error free returns.

DEPARTMENT CHALLENGES

- ◇ Challenges in meeting new mandates without a corresponding increase in personnel or resources.
- ◇ Lack of opportunities for specialized staff development, training and certification.
- ◇ Continued challenges enabling customer access to their accounts remotely.
- ◇ Need for a conducive workplace and working environment.
- ◇ Ongoing challenges with the recruitment and retention of staff with technical expertise.

ONGOING DEPARTMENTAL MISSION

The department remains committed to improving our services and interaction with taxpayers consistent with our mandate to collect fees and tax revenues that finance our government's operations. Despite its need for a new building facility, the department has maintained a safe, socially acceptable work environment that has resulted in realized efficiencies. However, additional storage space is needed.

In the face of recurring challenges and added strain on our workforce and its resources, staff continues to work to meet our agency's voluminous program mandates. Staff work hard to promote voluntary compliance of our tax laws, enhance e-commerce tools and diligently regulate the entities for the protection of our consumers. Enforcement across all tax and regulatory fronts has intensified during the year. We encourage the public to visit our website for valuable information about due dates, filing requirements and available online resources.

RECENT MILESTONES TO HIGHLIGHT

Tax administration and regulatory compliance programs welcome our recently installed Office of the Principal Guam Territorial Income Tax Attorney. Our regulatory division has secured membership in North American Securities Administrators Association. As to the Cannabis Law, DRT has approved fourteen (14) Cannabis Responsible Officials. Regulatory enforcement officers have issued 10 notices of ABC law violations, which resulted in the seizure of over \$250,000 worth of alcohol. Moreover, thirteen (13) notice of violations of Bread and Breakfast or Short-Term Vacation Rental facilities have been recently issued. The department, furthermore, assures the taxpaying public that we remains focused and committed to paying income tax refunds within 6-weeks of filing an error free return.

FREQUENTLY CONTACTED BRANCHES

CALL CENTER: (671)635-1840/41

INCOME TAX ASSISTANCE AND PROCESSING BRANCH

(671) 635-1840, 635-1841, 635-1842

GENERAL LICENSING AND REGISTRATION BRANCH

(671) 635-1828, 635-1829, 635-7621

INSURANCE, SECURITIES, BANKING & REAL ESTATE BRANCH

(671) 635-1844, 635-1845, 635-7668

MOTOR VEHICLE REGISTRATION BRANCH

(671) 635-7652, 635-1886, 635-1898

DRIVER'S LICENSE BRANCH

(671) 635-7651, 635-1761

GUAM PASSPORT OFFICE

(671) 635-7643, 635-7644, 635-7645

ONLINE SERVICES

*www.guamtax.com *www.govguamdocs.com *www.myguamtax.com *www.myid.guam.gov