

**Decision Package**  
**FY 2006**

**Department:** REVENUE AND TAXATION **Division/Section:** EXECUTIVE DIRECTION

**Program Title:** Director's Office/Technical Research and Appeals Bureau /System Programming Support and  
Guam Passport Office

**Activity Description:** The Division provides executive direction, program coordination, policy development and administrative support services for the department. Technical Research and Appeals Bureau primary functions is to resolved disputes on a basis that is fair to the taxpayer and the government; provide rulings on tax issues, technical advice and technical information to Director of Revenue and Taxation; assist the AG's office in Civil Tax cases for litigation; provide hearing on tax disputes with thirty (30) days of issuance on an unagreed Revenue Agent's report and administer the Taxpreparer's Act. Systems & Programming Support provide computer support, handles daily operations that deals with computer hardware and related equipment. Assists users with software issues and problems. Provides connectivity support to other agencies that require access to motor vehicles and driver license systems and also to the One Stop center. The Passport Office is responsible for accepting, examining, executing, United State passport applications and releasing upon the completion.

**Major Objective(s):** The major objective is the equitable and aggressive collection of all tax revenues due to the Government of Guam and the regulation of insurances securities, banking, real estate, alcoholic beverage and highway safety to ensure the interest of the people of Guam are protected. Technical Research and Appeals Bureau major objectives is to provide aggrieved taxpayers a means to appeal adverse decisions with respect to examination of their income and business privilege tax returns. To upgrade the department's main computer system (the AS/400 system), both hardware and software,the department's PC network partly due to the upgrade of the AS/400 as well as to keep up-to-date with technological changes which goes hand-in hand with the network change. Passport Office major objective is provide the most efficient service to customer to avoid the long wait in processing.

**Short-term Goals:** To ensure the manpower needs of the department are adequate to provide an effective presence within the community; to enhance public education; provide staff development training and to upgrade the fee structure within the department so the optimum cost recovery is effectuated. To provide the Director, his staff and other tax personnel as well as the general public, information in a timely fashion and the Department's willingness to entertain aggrieved taxpayers in a fair and reasonable manner. To revamp the department's web site to provide updated information to customers who have access to the Internet. The creation of a permanent position title for Passport Agents.

<b>Workload Output</b>			
<b>Workload Indicator</b>	<b>FY 2003 Level of Accomplishment</b>	<b>FY 2004 Anticipated Level</b>	<b>FY 2005 Proposed Request</b>
<i>Written Responses</i>	400	450	450
<i>Testimony</i>	15	15	15
<i>Office Visits</i>	3,500	3,500	4,000
<i>Income Tax/GRT</i>	6,818,479	2,500,000	3,000,000
<i>Tax Exemption</i>	49	50	50
<i>Rulings</i>	2	5	5
<i>S Corp Election</i>	34	30	35
<i>Change in Acctg Period/Method</i>	10	5	10
<i>Passport Applicant Transaction</i>	14,560	16,194	17,000

**Decision Package**  
**FY 2006**

**Department:** REVENUE AND TAXATION      **Division/Section:** TAX ENFORCEMENT

**Program Title:** Criminal Investigation/Examination/Collection

**Activity Description:** Encourage and achieve the highest possible degree of voluntary compliance in accordance with the tax laws and regulations; advise the public of their rights and responsibilities; determine the extent of compliance and the causes of non-compliance; do all things needed for the proper administration and enforcement of the tax laws; continually search for and implement new, more efficient and effective ways of accomplishing our Mission.

**Major Objective(s):** The major objective of the Tax Enforcement Programs is to create an environment wherein the public (Taxpayers) find it desirable to comply with Guam's Tax Laws Voluntarily. The Government of Guam cannot function without revenues to fund its operations. As the public continues to be the primary source of revenues, the need for the Tax Enforcement Program continues.

**Short-term Goals:** Collection Branch - Slow the growth of receivables, reduce the receivables, educate public of tax responsibility. Examination Branch - Focus on industry and professional audits, educate public of tax responsibility. Criminal Investigation Branch - Pursue fraud and non-filing cases and acts as a deterrence to non-compliance.

<b>Workload Output</b>			
<b>Workload Indicator</b>	<b>FY 2003 Level of Accomplishment</b>	<b>FY 2004 Anticipated Level</b>	<b>FY 2005 Proposed Request</b>
<i>Deficiencies</i>	1,370,000	12,100,000	3,500,000
<i>Overassessments</i>	24,480	53,782	35,000
<i>Number of Cases Closed</i>	242	250	325
<i>Collected Amount</i>	21,000,000	37,000,000	38,000,000
<i>Unit Closures</i>	5,625	5,100	6,500
<i>Ending Inventory</i>	92,000,000	113,000,000	103,000,000
<i>Full Scale Investigations</i>	24	28	30
<i>Referred for Prosecutions</i>	1	1	4

**Decision Package  
FY 2006**

**Department:** REVENUE AND TAXATION      **Division/Section:** REAL PROPERTY TAX

**Program Title:** Appraisal/Assessment

**Activity Description:**      The Real Property Tax Division is charged with the administering and enforcement of the Real Property Tax Laws of Guam. Of equal importance, the Division is also responsible for the accounting of the Island's property inventory and collection of the corresponding tax assessments.

**Major Objective(s):**      The Division's major objective is to accurately identify, appraise and assess all taxable properties on Guam, the result of which is to establish the annual real property tax assessment roll, and to establish the delinquent list for the purpose of tax sales and tax deeds.

**Short-term Goals:**      The Division shall prepare the annual Property Tax Assessment Roll for certification by the Board of Equalization; issue the corresponding annual statements in a timely manner; collect the proper amount taxes assessed; present and resolve all appeals applications filed with the Board of Equalization; prepare and publish the annual Delinquent List as required by law, and to process for recordation of all tax sales and tax deeds accordingly.

<b>Workload Output</b>			
<b>Workload Indicator</b>	<b>FY 2003 Level of Accomplishment</b>	<b>FY 2004 Anticipated Level</b>	<b>FY 2005 Proposed Request</b>
<i>Collections</i>	17,000,000	17,700,000	19,500,000
<i>Tax roll record updates</i>	59,000	59,300	60,000
<i>BOE Appeals</i>	500	500	1,000
<i>Field Verifications</i>	1,000	1,000	1,500

**Decision Package  
FY 2006**

**Department:** REVENUE AND TAXATION **Division/Section:** TAXPAYER SERVICE

**Program Title:** Income Tax and Processing/Electronic Data Processing/Business Privilege Tax/Accounting/Central File

**Activity Description:** This Division is the center of the pipe-line processing of both income tax and local tax returns. It's responsibilities include counter service, processing of tax declarations, identification of non-filers, taxpayer education program, assessment of all taxes, maintenance of accounts receivables, records maintenance storage and business license renewal clearance.

**Major Objective(s):** To provide quality taxpayer service. To administer the tax law uniformly and equitably. To promote voluntary compliance thru taxpayers education program such as media release and seminars. To ensure that the government's revenues are protected by accurate recording and classifying tax payments. To protect and improve the management records. To improve automated application, to work with other local government and federal agencies in reducing fraud and abuse in both federally funded and locally funded assistance programs.

**Short-term Goals:** To improve automated systems and user capabilities. To continue the Tax Systems Redesign Project. To review and implement more effective procedures in the pipe-line processing of tax documents. To ensure that personnel are provided with the proper tools needed to perform to the utmost of their assigned duties.

<b>Workload Output</b>			
<b>Workload Indicator</b>	<b>FY 2003 Level of Accomplishment</b>	<b>FY 2004 Anticipated Level</b>	<b>FY 2005 Proposed Request</b>
<i>Income Tax Return</i>	74,000	74,000	85,000
<i>Business Privilege Tax</i>	265,880	265,880	287,150
<i>SWICA Returns</i>	244,640	244,640	273,996
<i>Non-Compliance</i>	37,400	37,400	41,140
<i>Other Tax Documents</i>	137,800	137,800	154,336
<i>Cash Receipts Documents</i>	485,500	485,500	631,150

**Decision Package  
FY 2006**

**Department:** REVENUE AND TAXATION **Division/Section:** REGULATORY

**Program Title:** Insurance, Banking, Securities & Real Estate/Compliance/General License/Weights & Measure/

**Activity Description:** Supervise and regulate holders of business licenses for the protection of the consumers of Guam from unsafe, unsound and unfair business practices. Enforce voluntary compliance on all businesses holding licenses and financial institutions that are engaged in insurance, securities, banking and real estate.

**Major Objective(s):** To regulate insurance companies, captive companies, banks, savings and loan associations, securities firms, Guam based trust companies, finance companies and real estate agencies. To computerize the issuance, credit forms for banking and to generate computerize annual reports on banking and insurance. To inspect and certify weights and measures, licensed liquor establishment daily in order to promote voluntary compliance. To continue to provide service for One Stop Business License at Department of Public Works. To investigate non-renewal of license and unlicense business establishment.

**Short-term Goals:** To find suitable space to store all records of UCC active financing statements, insurance, securities, banking and real estate licenses for easy retrieval and to save on filing spaces. To implement the mandates of Bill 119 including the completion and transmittal of banking and insurance report within 60 days after the end of each fiscal year and approval of group credit policy forms within 30 days from receipt of the documents and to secure software that will allow insurance licenses to be automatically exported to the National Insurance Producer Registry (NIPR), a subsidiary of the National Association of Insurance Commissioners (NAIC).

<b>Workload Output</b>			
<b>Workload Indicator</b>	<b>FY 2003 Level of Accomplishment</b>	<b>FY 2004 Anticipated Level</b>	<b>FY 2005 Proposed Request</b>
<i>Cerficates of authority, insurance agents &amp; brokers</i>	1,683	1,851	2,036
<i>Financing statement and request fir information</i>	2,021	2,223	2,445
<i>Insurance policy forms reviewed</i>	641	705	740
<i>Service regular, rental and misc licenses</i>	14,619	15,349	15,349
<i>Registration of Domestic, Foreign Corp, LLC's</i>	1,251	1,313	1,313
<i>Marriage Licenses</i>	1,672	1,672	1,672
<i>ABC License &amp; Registration Cards</i>	3,113	3,175	3,238
<i>ABC Inspections</i>	1,635	1,716	1,973
<i>Weights &amp; Measures and taximeter inspected</i>	1,612	1,644	1,808

**Decision Package**  
**FY 2006**

**Department:** REVENUE AND TAXATION      **Division/Section:** MOTOR VEHICLE

**Program Title:** Driver's License Examination/Vehicle Registration/Motor Carrier Safety Assistance Program

**Activity Description:** Administering and enforcing the Vehicle Code of Guam (Title 16,GCA) is placed on the Motor Vehicle Division. This involves ensuring that all vehicles operating of Guam's highways are certified as carrying the necessary insurance coverage and also the assessment of vehicle transfer taxes, registration and licensing fees as authorized under Title 16, GCA. The three branches of the Division: The Vehicle Registration, Drivers License Examination and Motor Carrier review, process and issue the applicable registration forms, license applications and examination reports as prescribed by law. When each branch is conducting its respective function to review, process and issue the forms, applications and reports, this also includes the verification of required additional documentation and records. These operations are necessary to provide accurate information to the customers.

**Major Objective(s):** The following summarizes the Division major objectives: to provide the public with the highest quality of service by ensuring the fair and impartial application of the Vehicle Code; to reduce the processing time of Vehicle Registration, Certificate of Ownership and Guam Driver's License; to maintain Guam's zero fatality rate in addition to reducing the number of non-fatal crashes related to commercial motor vehicles' to instill voluntary compliance with Title 16 GCA and the Federal Motor Carrier Safety Regulations (49 CFR Parts 390 through 399) and the Hazardous Materials Regulations (49 CFR Parts 107, 171-173, 177, 178 and 180); to safeguard all information maintained at MVD; and to meet the challenge of a growing number of motor vehicles and drivers.

**Short-term Goals:** The following reflects the MVD's short-term goals for Fiscal Year 2005; to adequately staff the Division; to provide formal training for new employees; with the prospect of a new location for MVD, to be prepared to utilize the floor space efficiently; to improve the written examination requirement for a driver's license and to improve the reporting of Motor Vehicle Division information.

<b>Workload Output</b>			
<b>Workload Indicator</b>	<b>FY 2003 Level of Accomplishment</b>	<b>FY 2004 Anticipated Level</b>	<b>FY 2005 Proposed Request</b>
<i>Vehicle Registrations</i>	92,320	96,073	96,073
<i>Transfer Applications</i>	15,823	15,823	16,003
<i>Driver's License Applications</i>	39,362	41,866	44,529
<i>Written and Road Tests</i>	13,886	13,718	13,718
<i>Motor Carrier Inspections</i>	912	2,138	4,160

**Decision Package**  
**FY 2006**

**Department:** REVENUE AND TAXATION      **Division/Section:** PASSPORT OFFICE

**Program Title:** Driver's License Examination/Vehicle Registration/Motor Carrier Safety Assistance Program

**Activity Description:** Administering and enforcing the Vehicle Code of Guam (Title 16,GCA) is placed on the Motor Vehicle Division. This involves ensuring that all vehicles operating of Guam's highways are certified as carrying the necessary insurance coverage and also the assessment of vehicle transfer taxes, registration and licensing fees as authorized under Title 16, GCA. The three branches of the Division: The Vehicle Registration, Drivers License Examination and Motor Carrier review, process and issue the applicable registration forms, license applications and examination reports as prescribed by law. When each branch is conducting its respective function to review, process and issue the forms, applications and reports, this also includes the verification of required additional documentation and records. These operations are necessary to provide accurate information to the customers.

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