Gmail

Benjamin J.F. Cruz <senator@senatorbjcruz.com>

Dept. of Revenue and Taxation 2016 CCR

3 messages

Carolyn A. Rivera <Carolyn.Rivera@revtax.guam.gov> Fri, Aug 18, 2017 at 5:07 PM
To: "dfbrooks@guamopa.com" <dfbrooks@guamopa.com>, "croque@guamopa.com" <croque@guamopa.com>, Rodalyn Gerardo <rgerardo@guamopa.com>, "Honorable Benjamin J.F. Cruz" <senator@senatorbjcruz.com>
Cc: "John P. Camacho" <John.Camacho@revtax.guam.gov>, "Marie M. Benito" <Marie.Benito@revtax.guam.gov>, Paul Pablo <Paul.Pablo@revtax.guam.gov>

Buenas,

Attached please find the 2016 Citizen Centric Report for the Department of Revenue and Taxation. Should you have any questions or concerns, please contact DRT management accordingly.

Speaker Benjamin J.F. Cruz
AUG 21 2017
Time: 9:07 [✓] AM [ ] PM File No
Received By:
GL# 34-17-900

2017 AUG 21 AM 8:27

Regards,

Carolyn

CAROLYN AGUON RIVERA
Special Agent
Department of Revenue and Taxation
Criminal Investigation, Tax Enforcement Division
(671) 635-1848
PO Box 23607, GMF, GU 96921

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DRT 2016 CITIZEN CENTRIC REPORT.pdf
1226K

Rodalyn Gerardo <rgerardo@guamopa.com> Mon, Aug 21, 2017 at 8:52 AM
To: "Carolyn A. Rivera" <Carolyn.Rivera@revtax.guam.gov>, dfbrooks@guamopa.com, croque@guamopa.com, "Honorable Benjamin J.F. Cruz" <senator@senatorbjcruz.com>
Cc: "John P. Camacho" <John.Camacho@revtax.guam.gov>, "Marie M. Benito" <Marie.Benito@revtax.guam.gov>, Paul Pablo <Paul.Pablo@revtax.guam.gov>

Good Morning Carolyn,

This is to acknowledge receipt of DRT's FY 2016 CCR. We will have this posted on our website. Kindly ensure that it is posted on your website as well.

Have a wonderful week!

Best Regards,

Rodalyn Gerardo, CIA, CGFM, CPA, CGAP, CGMA
Audit Supervisor
Office of Public Accountability
(671) 475-0390 ext. 204
www.opaguam.org

0900

From: Carolyn A. Rivera [mailto:Carolyn.Rivera@revtax.guam.gov]
Sent: Friday, August 18, 2017 5:07 PM
To: dfbrooks@guamopa.com; croque@guamopa.com; Rodalyn Gerardo <rgerardo@guamopa.com>; Honorable Benjamin J.F. Cruz <senator@senatorbjcruz.com>

Cc: John P. Camacho <John.Camacho@revtax.guam.gov>; Marie M. Benito <Marie.Benito@revtax.guam.gov>; Paul Pablo <Paul.Pablo@revtax.guam.gov>
Subject: Dept. of Revenue and Taxation 2016 CCR

[Quoted text hidden]

Benjamin J.F. Cruz <senator@senatorbjcruz.com> Mon, Aug 21, 2017 at 8:54 AM
To: Guam Legislature Clerks <clerks@guamlegislature.org>
Cc: "<rennae@guamlegislature.org>" <rennae@guamlegislature.org>, BENJAMIN CRUZ <speaker@senatorbjcruz.com>

8/21/2017	8/18/2017	Department of Revenue and Taxation	FY 2016 Citizen Centric Report, *Emailed	34-17-900

---------- Forwarded message ----------
From: **Carolyn A. Rivera** <Carolyn.Rivera@revtax.guam.gov>
Date: Fri, Aug 18, 2017 at 5:07 PM
Subject: Dept. of Revenue and Taxation 2016 CCR
[Quoted text hidden]

--
Speaker Benjamin J.F. Cruz
I Mina'trentai Kuattro Na Lihesiaturan Guåhan
T 671-477-2520 | F 671-477-2522
http://www.senatorbjcruz.com

DRT 2016 CITIZEN CENTRIC REPORT.pdf
1226K

Department of Revenue and Taxation

2016 CITIZEN CENTRIC REPORT



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 Business 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 GOALS (>) and OBJECTIVES (*)

> Provide new and updated training in all divisions.

* Establish and maintain public confidence in the integrity of the tax system of Guam.

> Adequately staff all divisions.

* Provide quality service in a cost-effective and timely manner through maximizing all available resources.

> Further develop, upgrade, and augment web and online services.

* To attain ease and convenience of services for those who opt to conduct business through technological, electronic, and/or digital means with the department.

> Educate the public and enhance their awareness by increasing enforcement of the tax code in all areas of the Tax Enforcement Division involving civil, criminal, and collection cases.

* Achieve the highest degree of voluntary compliance.

> Continue increased efforts and develop closer regulation with license holders.

* Protect consumers of Guam from unsafe, unsound, and unfair practices.

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

PERFORMANCE ACCOMPLISHMENTS

ACTIVITIES	FOOT-NOTE	2014 Branch Units	2014 Amt Assessed or Collected	2015 Branch Units	2015 Amt Assessed or Collected	2016 Branch Units	2016 Amt Assessed or Collected
Alcohol Beverage Licenses		1,023	$ 771,800	1,023	$ 775,295	**1,019**	**784,875**
Amusement Devices		1,678	340,229	1,403	323,815	**1,418**	**310,778**
Recreational Facilities		307	31,900	292	31,500	**296**	**38,636**
ABC Cards		1,776	29,030	2,403	39,835	**4,307**	**114,865**
Guam Healthcare Trust & Other Events		373	180,325	435	182,315	**405**	**181,785**
Total Performance: ABC Compliance Branch		**5,157**	**$ 1,353,284**	**5,556**	**$ 1,352,760**	7,445	$ 1,430,939
Business Licenses		23,190	$ 2,272,160	30,999	$ 2,245,373	**19,055**	**2,037,444**
Tobacco Licenses		454	73,273	465	67,390	**444**	**57,950**
Reg. of Corporations & related documents		9,281	880,066	6,159	890,323	**7,424**	**562,261**
Total Performance: Business License Branch		**32,925**	**$ 3,225,499**	**37,623**	**$ 3,203,086**	26,923	$ 2,657,655
Insurance Licenses		1,662	$ 152,275	1,197	$ 201,688	**1,177**	**303,644**
Securities Licenses		622	200,750	1,015	641,465	**1,023**	**638,385**
Real Estate Licenses		72	28,800	216	44,368	**208**	**38,265**
UCC Filings		415	4,150	681	15,293	**779**	**18,833**
Total Performance: ISB Branch		**2,771**	**$ 385,975**	**3,109**	**$ 902,814**	3,187	$ 999,127
Scales		526	$ 3,054	574	$ 3,279	**573**	**3,638**
Gas Pump Meter		1,093	10,930	853	8,530	**1,420**	**14,200**
Taxi Meters		274	5,480	316	6,320	**91**	**1,940**
Total Performance: Weights & Measures		**1,893**	**$ 19,464**	**1,743**	**$ 18,129**	2,084	$ 19,778
Passport Applications - Adults	5	7,556	$ 930,310	7,985	$ 987,000	**8,391**	**1,034,010**
Passport Applications - Minors	5	4,365	458,325	4,428	464,940	**4,641**	**487,305**
Total Performance: Passport Branch		**11,921**	**$ 1,388,635**	**12,413**	**$ 1,451,940**	13,032	$ 1,086,705
Income Tax Examinations	2/4	848	$ 10,395,896	1,147	$ 4,573,337	**1,517**	**8,977,094**
Business Privilege Tax Examinations	2/4	96	2,282,036	34	16,307,717	**55**	**396,535**
Total Performance: Examination Branch		**944**	**$ 12,677,932**	**1,181**	**$ 20,881,054**	1,572	$ 9,373,629
Driver's Licenses		28,737	$ 871,274	25,723	$ 722,337	**20,204**	**723,961**
Permits (All types)		3,877	38,810	4,398	43,980	**4,351**	**43,510**
Vehicle Registrations		113,999	15,039,015	116,284	15,133,751	**119,297**	**15,909,692**
Total Performance: DMV		**146,613**	**$ 15,949,099**	**146,405**	**$ 15,900,068**	143,852	$ 16,677,163
Collection of Income Taxes	2	7,172	$ 18,719,150	7,179	$ 19,491,243	**8,497**	**32,056,310**
Collection of Bus. Privilege Taxes	2	3,941	11,286,028	1,650	2,691,362	**4,275**	**12,899,096**
Total Performance: Collection Branch		**11,113**	**$ 30,005,178**	**8,829**	**$ 22,182,605**	12,772	$ 44,955,406
Real Property Tax Assessments		67,463	$ 21,529,590	64,512	$ 28,500,549	**70,188**	**28,145,930**
Real Property Tax Collections			23,378,675		25,707,660		**27,098,430**
Total Performance: Real Property Tax		N/A See above		N/A See above		N/A See above	
Inspections		2,607		2,401		**2,465**	
Total Performance: Motor Carrier		**2,607**		**2,401**		2,465	
		Branch Units		**Branch Units**		**Branch Units**	
Business Privilege Tax (BPT)							
GuamTax.com E-Filing		76,656		71,466		75,856	
Electronic Data Processing Branch (EDPB)							
Forms 1040 Series filed (12/31/XX)	1	70,204		70,648		**72,070**	
Forms 1040 Series processed (12/31/XX)	1	70,204		70,648		**72,069**	
Corporate Tax Returns filed (12/31/XX)	1	4,832		5,215		**5,226**	
Corporate Tax Returns processed (12/31/XX)	1	4,831		5,215		**5,223**	

NOTE: Refer to following page for footnote references within this table.

BUDGET STATEMENT	FY14	FY15	TY16
APPROPRIATIONS			
General Fund	$ 9,015,615	$ 10,013,790	**$ 10,849,229**
Tax Collection Enhancement Fund	835,484	867,538	**886,091**
Better Public Service Fund	1,620,468	1,829,515	**2,206,210**
Federal Grant Fund	350,000	350,000	**350,000**
Real Property Reevaluation	1,400,000	28,027	**37,377**
Transaction Processing System	400,000	150,893	**230,462**
Principal Guam Income Tax Attorney	13,647	-	**-**
Computer System Upgrade/Integrated	-	-	**-**
Process Stimulus Tax Rebates	-	-	**-**
Monitoring Hotel Occupancy Tax	-	-	**-**
Monitoring Tobacco and Alcohol	-	-	**-**
Safe Home/Streets	-	-	**-**
Banking/Ins Enforcement Fund	-	-	**-**
Sale and Measure of Petroleum	-	-	**-**
Total Appropriations	**$ 13,635,214**	**$ 13,239,763**	**$ 14,559,369**
EXPENDITURES			
Personnel	$ 7,826,264	$ 9,410,280	**$ 9,204,063**
Travel	18,180	16,314	**4,068**
Contractual Services	2,467,114	2,832,974	**2,723,610**
Office Space Rental	963,381	960,847	**978,588**
Supplies & Materials	98,819	215,674	**139,010**
Equipment	-	-	**-**
Utilities	91,983	99,275	**102,000**
Capital Outlay	-	-	**-**
Drug Testing	-	-	**800**
Miscellaneous (Board Stipend)	-	-	**4,000**
Total Expenditures	**$ 11,465,741**	**$ 13,535,364**	**$ 13,156,139**

DIVISION	FY14	FY15	FY16
EXECUTIVE DIRECTION			
Director's Office	9	8	**8**
Passport	7	7	**7**
Technical Res. & Appeals Bureau	1	2	**3**
Systems & Programming Support	2	2	**3**
DIVISION TOTALS	**19**	**19**	**21**
TAX ENFORCEMENT DIVISION			
Criminal Investigation Branch	7	7	**7**
Tax Examination Branch	21	20	**23**
Collection Branch	25	23	**23**
DIVISION TOTALS	**53**	**50**	**53**
TAXPAYER SERVICE DIVISION			
Income Tax & Processing Branch	15	14	**12**
Electronic Data Processing Branch	7	7	**8**
Business Privilege Tax Branch	6	6	**5**
Accounting Branch	7	7	**7**
Central Files Branch	7	7	**7**
DIVISION TOTALS	**42**	**41**	**39**
REGULATORY DIVISION			
General License & Registration	6	8	**6**
Compliance	3	3	**4**
Ins./Banking/Securities/Real Estate	9	7	**6**
Weights & Measures	3	2	**2**
DIVISION TOTALS	**21**	**20**	**18**
REAL PROPERTY TAX DIVISION			
Appraisal	9	8	**9**
Assessment	8	8	**6**
DIVISION TOTALS	**17**	**16**	**15**
MOTOR VEHICLE			
Driver's License Examination	8	10	**7**
Vehicle Registration	9	10	**9**
Motor Carrier Safety	7	5	**4**
DIVISION TOTALS	**24**	**25**	**20**
TOTAL	**176**	**171**	**166**

TAX REVENUES COLLECTED per AUDIT

	TY2014	TY2015	TY2016
Income Tax	$ 296,187,000	$ 324,402,000	**$ 343,837,000**
Section 30 Income Tax	87,998,215	71,446,424	**78,467,450**
Business Privilege Tax	238,249,000	226,592,000	**238,305,000**
Real Property Tax	23,263,000	28,033,000	**26,321,000**
Hotel Occupancy Tax	34,362,000	36,988,000	**40,864,000**
Liquid Fuel Tax	9,792,000	9,932,000	**10,051,000**
Tobacco Tax	20,961,000	19,723,000	**20,104,000**
Beverage Tax	2,208,000	2,778,000	**2,896,000**
Excise Tax	3,463,000	2,691,000	**2,938,000**
Other	16,950,000	9,160,000	**2,267,676**
TOTAL	**$ 733,433,215**	**$ 731,745,424**	**$ 766,051,126**

PERFORMANCE FOOTNOTES (previous page):

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.

AGENCY ACCOMPLISHMENTS

- Successful operations during the tax filing season at both the main and satellite offices.
- Timely payment of refunds in the approximate amount of $78,699,117.
- Successful administration of the Section 30 reimbursement program between DRT, Guam and the IRS, U.S. Treasury offices.
- Successful implementation of the Non-Filer program.
- Enhanced DMV administration and Regulatory enforcement efforts developed more public awareness and increased compliance of license holders in the areas of business, insurance, banking, securities, motor vehicle and alcohol entities.

AGENCY CHALLENGES

- Inadequate staffing, supplies, and equipment for all divisions compromises delivery of effective services to our island community.
- Cost burden of more periodic Real Property Tax Revaluation assessments.
- Providing quality service to the public while replacing and training new employees as a result of employee turnover.
- Upkeep and maintenance of limited critical office equipment and the cost to acquire new, upgrade, and maintain needed technology, automated programs, and software.
- Contract costs for upkeep, repairs, and maintenance of DRT's main office facility.
- Development of the Earned Income Credit reimbursement program.
- Implementing unfunded mandates created by the Guam Legislature or as mirrored in the U.S. Internal Revenue Code.
- Inadequately designed and/or a lack of a permanent facility to better serve the large taxpaying public while meeting the needs of the department staff.

AGENCY FUTURE OUTLOOK

Despite the department's constant challenges such as the critical lack of staffing, an inadequate facility, the deficient and deteriorating equipment, and other challenges, we continue to deliver paramount service standards successfully to Guam's public. By prioritizing the focus of our limited resources toward effective and efficient service, educating the public in all areas, we will continue to be successful in line with our mission. This focus, along with the increase of Regulatory and Tax Enforcement efforts, will effect a decrease and deterrence of violators of regulatory policies and tax laws thus improving voluntary compliance overall.

ONLINE SERVICES

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

AGENCY DIVISION CONTACT

TAX ENFORCEMENT DIVISION
HERBERT S. FUKUDA, Administrator
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REGULATORY DIVISION
ARTEMIO ILAGAN, Insurance & Banking Commissioner
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MOTOR VEHICLE DIVISION
MARIA FLORES, Administrator
(671) 635-8998 / Maria.Flores@revtax.guam.gov