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M&C Fwd: DRT FY2019 Citizen Centric Report

1 message

Speaker's Office <speaker@guamlegislature.org> Tue, Oct 27, 2020 at 4:37 PM
To: Clerks Office <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>

10/27/20	4:19 PM	10/27/20	FY2019 Citizen Centric Report.*	Department of Revenue and Taxation	35GL-20-2351

Sinseru yan Minagåhet,

Office of the Speaker • Tina Rose Muña Barnes
Committee on Public Accountability, Human Resources & the Guam Buildup

35th Guam Legislature
I Mina'trentai Singko na Liheslaturan Guåhan

Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910
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Gumai pribilehu yan konfedensia este siha na mensåhi. Solo espesiåtmente para hågu ma entensioña pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespåtcha. Yanggen lachi rinisibu-mu nu este na mensåhi , put fabot ago' guatu gi I numa'huyong gi as speaker@guamlegislature.org yan despues destrosa todu siha I kopian mensåhi. Si Yu'os ma'åse'.

---------- Forwarded message ---------
From: **Albert Perez** <Albert.Perez@revtax.guam.gov>
Date: Tue, Oct 27, 2020 at 4:19 PM
Subject: DRT FY2019 Citizen Centric Report
To: OPA (admin@opaguam.com) <admin@opaguam.com>, Speaker Tina Muna Barnes (speaker@guamlegislature.org) <speaker@guamlegislature.org>
Cc: Dafne M. Shimizu <Dafne.Shimizu@revtax.guam.gov>, Michele Santos <Michele.Santos@revtax.guam.gov>, Paul Pablo <Paul.Pablo@revtax.guam.gov>

Hafa Adai,

Please find the Department of Revenue and Taxation's FY2019 Citizen Centric Report attached.

Albert

Albert M. Perez

Senior Economist

Department of Revenue and Taxation

Tel: (671) 635-1817/1779

DRT FY2019 Citizen Centric Report.pdf
437K

DEPARTMENT OF REVENUE & TAXATION
Fiscal Year 2019 Citizen-Centric Report

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DAFNE MANSAPIT-SHIMIZU
Director



MICHELE B. SANTOS
Deputy 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.

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 the Department of Revenue and Taxation (DRT).

The Department also 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 and Short-Term Vacation Rental Tax and Automotive Surcharges. The Department also issues Real IDs, Driver's Licenses, and Vehicle Registrations. The Guam Passport Office is housed within. The Insurance, Securities, Banking and Real Estate industries are also regulated by the Department. The national Motor Carrier Safety Assistance and the Official Vehicle Inspection Station programs are also administered by the Department.

AGENCY GOALS	DESIRED OUTCOMES
Develop, improve, and maintain reliable database and access control systems, programs and hardware in all areas.	» *Minimizes work flow interruptions.* » *Improves response time to inquiries from management.* » *Leads to efficient and effective controls to deliver accurate, real-time or periodic*
Provide training programs in all divisions on a timely, useful and relevant basis.	» *Improves knowledge base when delivering customer service.* » *Provides quality service in the most cost-effective and timely manner.* » *Leads to enhanced administration of Guam's tax and regulatory system.*
To maintain uninterrupted and dependable online opportunities for individual and businesses.	» *Ensures an electronic receipt of all online transactions.* » *Redistributes efforts away from manual processing and into compliance and enforcement activities.*
Engage in succession planning efforts that augment competencies for career employment purposes.	» *Improves effectiveness of career public servants over time.* » *Achieves an effective work-flow servicing system due to absenteeism.* » *Promotes a better overall environment when making decisions.*

Activity Highlights

ACTIVITES	Footnote	FY2018 Branch Units	FY2018 Revenues	FY2019 Branch Units	FY2019 Revenues
Real Property Tax Assessments		82,445	$37,317,556	82,255	$37,525,102
Real Property Tax Branch					
Alcohol Beverage Licenses		923	$735,350	1,045	$809,250
Amusement Devices		1,111	$264,645	1,111	$244,001
Recreational Facilities		301	$35,538	248	$137,083
Alcohol Beverage Control (ABC) Cards		1,418	$42,540	2,398	$71,940
Guam Healthcare Trust & Other Events		380	$190,000	382	$191,000
Compliance Branch Totals		**4,133**	**$1,268,073**	**5,184**	**$1,453,274**
Business Licenses	5	16,069	$1,621,426	18,070	$1,934,308
Tobacco Licenses	5	357	$40,314	404	$51,829
Regulation of Corporations Documents	5	476	$233,071	2,609	$280,492
General Licensing Branch Totals		**16,902**	**$1,894,811**	**21,083**	**$2,266,629**
Insurance Licenses		1,427	$382,919	1,103	$486,449
Securities Licences		665	$625,097	1,029	$598,290
Real Estate Licenses		204	$39,850	294	$53,510
UCC Filings		641	$14,715	594	$12,991
Insurance , Securities, Banking & Real Estate Branch Totals		**2,937**	**$1,062,581**	**3,020**	**$1,151,240**
Scales		563	$3,695	627	$4,405
Gas Pump Meter		969	$9,260	915	$9,150
Taxi Meter		348	$6,820	352	$7,040
Weights & Measures Branch Totals		**1,880**	**$19,775**	**1,894**	**$20,595**
Passport Applications - Adults		7,916	$1,004,840	7,455	$922,235
Passport Applications - Minors		4,683	$514,715	4,642	$533,830
Guam Passport Office Totals		**14,479**	**$1,539,330**	**13,991**	**$1,476,660**
GuamTax.com E-Filing	5	121,907		108,987	
Business Privilege Tax Branch					
Forms 1040, 1040A, 1040EZ processed/filed	1	69,692		67,680	
Corporate Tax Returns processed/filed	1	5,177		5,090	
Electronic Data Processing Branch					
Income Tax Examinations	2/4	1,524	$8,402,008	994	$6,358,045
Business Privilege Tax Examinations	2/4	64	$4,764,735	50	$7,958,766
Examination Branch Totals		**1,588**	**$13,166,743**	**1,044**	**$14,316,811**
Collection of Income Taxes	3/5	6,528	$48,264,582	7,098	$52,478,861
Collection of Business Privilege Tax	3/5	5,575	$17,702,517	4,933	$15,663,950
Collection Branch Totals		**12,103**	**$65,967,100**	**12,031**	**$68,142,811**
Driver's Licenses	5	26,287	$953,509	24,729	$879,369
Permits (all types)	5	7,256	$72,560	6,345	$63,449
Vehicle Registrations	5	119,479	$15,692,776	119,551	$15,800,396
Motor Vehicle Division Totals		**153,022**	**$16,718,845**	**150,624**	**$16,743,214**
Total Inspections	5	1,622		2,002	
Motor Carrier Assistance Program					

PERFORMANCE FOOTNOTES:

1. All units described represent that 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.)
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 include applicable taxes, interest, penalties, credits, or other related charges within its Branch as authorized.
4. 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.
5. Preliminary for FY2019

Staff, Revenue & Budget Highlights

STAFFING PATTERN		
DIVISION	***FY2018***	***FY2019***
Executive Direction		
Director's Office	7	7
Passport Office	7	7
Technical Research & Appeals Bureau	2	2
System and Programming Support	2	2
Division Totals	**18**	**18**
Tax Enforcement Division		
Criminal Investigation Branch	8	7
Tax Examination Branch	20	20
Collection Branch	25	25
Divion Totals	**53**	**52**
Taxpayer Service Division		
Income Tax Assistance & Processing Branch	12	12
Electronic Data Processing / SWICA Branch	8	8
Business Privilege Tax Branch	3	4
Tax Accounting Branch	8	8
Central Files Branch	7	6
Division Totals	**38**	**38**
Real Property Tax Division		
Appraisal Branch	9	8
Assessment Branch	6	5
Division Totals	**15**	**13**
Regulatory Division		
Insurance, Securities, Banking & Real Estate Branch	7	7
General Licensing & Registration Branch	7	6
Compliance Branch	7	7
Weights & Measures Branch	2	2
Division Totals	**23**	**22**
Motor Vehicle Division		
Driver's Licensing Examination Branch	14	14
Vehicle Registration Branch	9	8
Motor Carrier Safety Assistance Program	5	5
Division Totals	**28**	**27**
TOTALS	**175**	**170**

Budget Statement		
Appropriations	**FY2018**	**FY2019**
General Fund	$12,974,387	$8,435,897
Tax Collection Enhance-ment Fund	$996,351	$975,577
Better Public Service Fund	$1,781,496	$1,564,374
Banking and Insurance Enforcement Fund	$419,088	$474,403
Federal Grant Fund	$478,000	$490,436
Examiner Off-Duty	$32,455	-
DRT Asset Forfeiture Equitable Program	$83,489	-
Total Appropriations	**$16,765,266**	**$11,940,687**
Expenditures	**FY2018**	**FY2019**
Personnel	$9,715,923	$7,696,040
Travel/Local Mileage Reimbursement	$25,560	$13,500
Contractual	$3,124,329	$2,057,401
Office Space Rental	$978,588	$1,430,792
Supplies & Material	$193,233	$120,000
Equipment	$16,948	$0
Utilities	$115,667	$125,000
Capital Outlay	$78,640	$0
Drug Testing	$800	$1,000
Miscellaneous (Board Stipend)	$2,800	$6,500
Total Expenditures	**$14,252,488**	**$11,450,233**

Tax Revenues (Audit)	**FY2018**	**FY2019**
Income Tax	$318,123,595	$280,787,279
Business Privilege Tax	$269,684,874	$314,946,414
Section 30 Income Tax	$77,795,541	$77,046,768
Hotel Occupancy Tax	$43,181,165	$44,701,481
Real Property Tax	$29,932,932	$33,333,472
Tobacco Tax	$28,562,068	$35,448,719
Liquid Fuel Tax	$13,297,415	$14,428,017
Alcohol Beverage Tax	$3,676,775	$3,785,570
Excise Tax	$2,728,034	$3,535,038
Limited Gaming	$4,140,378	$4,159,506
Total Revenues Collected	**$791,122,777**	**$812,172,264**

DEPARTMENT ACCOMPLISHMENTS

- Paid in excess of $125 Million budgeted for individual and corporate income tax refunds.
- Launched an aggressive enforcement campaign on the short-term vacation rental program.
- Oversaw the "Games of Chance" revenue collection program at the Liberation carnival facilities.
- Sought strict adherence by federal contractors to Guam tax and licensing laws.
- Key participant on the Cannabis Control Board.
- Continued building and strengthening of the partnership with the US IRS to keep abreast of developments and policies at the national level.

DEPARTMENT CHALLENGES

- To update department-wide Standard Operating Procedures as legislative mandates take effect.
- A continuing lack of access and resources for training and certification of staff.
- Inadequate funding to fill administrative positions and critical vacancies.
- Need for a conducive work-place and working environment.
- Outdated computer system hard ware and network.
- Lack of opportunities for staff development, retention and promotion.

CURRENT AND FUTURE OUTLOOK

The financial impact of the *Tax Cuts and Jobs Act of 2017 (TCJA)* remains a critical forbearing issue that has caused the Government of Guam to focus more carefully at it's ability to deliver public services in Fiscal Year 2019. The Department, while mandated to collect taxes and fees that finance our government's operations, saw it's tax collection and enforcement program efforts garner much needed funding and resources from both the Governor and the Guam Legislature. DRT executes its mission and authority to administer the tax laws of Guam given these and other challenges faced.

In the face of recurring challenges and added pressures on our work force and its resources, DRT's staff continues to collect on both current and delinquent income, corporate, excise and real property taxes. We also continue to process income tax refunds on a timely basis. Enforcement across all tax and regulatory fronts have intensified during the year coupled with an educational campaign to promote voluntary compliance. We have made strides in informing the general public about changes to our program policy mandates via the local media, digital and web-based means.

With utmost confidence, our committed, determined, and diligent employees will forge our department forward in achieving our overall mission to meet tax and licensing responsibilities with fairness and integrity to all.

FREQUENTLY CONTACTED BRANCHES

COLLECTION BRANCH
(671)635-1864/5, 635-7612
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
BUSINESS PRIVILEGE TAX BRANCH
(671) 635-1836, 635-7623
INSURANCE, SECURITIES, BANKING & REAL ESTATE BRANCH
(671) 635-1844, 635-1845, 635-7668
REAL PROPERTY TAX DIVISION
(671) 635-1897, 635-1896, 635-1892
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
ADMINISTRATIVE OFFICES
(671) 635-1817, 635-1778, 635-1779



ONLINE SERVICES

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

