

DEPARTMENT OF REVENUE AND TAXATION

FISCAL YEAR 2021

CITIZEN CENTRIC REPORT



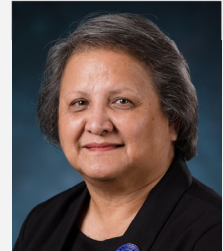
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Marie P. Lizama
Deputy Director



Dafne Mansapit-Shimizu
Director



Michele B. Santos
Commissioner,
Insurance and Banking

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 DRT. In addition to administering the GTIT, DRT 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 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, and the Real Estate Commission.

CHALLENGES AND OUTCOMES

The Department continues to face the many challenges as a result of the Health Emergency Declaration of COVID-19. Federal and local funds provided financial relief to the residents of Guam. They include the Economic Impact Payments (EIP 1, 2 & 3), monies for Advance Child Tax Credits to qualifying families and the Governor's order to provide additional financial relief with the Ayuda I Mangafa and All Rise Program payments. DRT also created a taxpayer refund portal and allowed direct deposits of refunds into taxpayer bank accounts. This couldn't be accomplished without investments to our technology infrastructure and commitment of resources in responding to pressing challenges.

FY 2021 Local and Federal Aid Disbursed

\$230.2 Million in Economic Impact Payments	\$16.9 Million in Advance Child Tax Credits	\$19 Million in All Rise Program Payments
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E-Filed Forms Over Prior Year

286 Percent Increase in 1040 E-Forms Filed	11 Percent Increase in Tax Forms Processed	125 Percent Increase in Vehicle Registration E-Renewals
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Activity Highlights

ACTIVITES	Foot-note	FY2020		FY2021	
		Units	Revenues	Units	Revenues
Real Property Tax Assessments		71,102	\$37,525,102	71,408	\$38,542,782
Real Property Tax Branch					
Alcohol Beverage Licenses		840	\$685,700	759	\$625,125
Amusement Devices		852	\$209,783	721	\$178,184
Recreational Facilities		161	\$12,700	146	\$15,325
Alcohol Beverage Control (ABC) Cards		996	\$30,500	1,217	\$36,510
Guam Healthcare Trust & Other Events		0	\$0	0	\$0
Compliance Branch Totals		2,849	\$938,683	2,843	\$855,144
Business Licenses	4	16,313	\$1,905,947	14,134	\$740,075
Tobacco Licenses	4	121	\$17,425	379	\$4,724
Regulation of Corporations Documents		485	\$160,051	567	\$142,238
General Licensing Branch Totals		16,919	\$2,083,423	15,080	\$887,037
Insurance Licenses		418	\$295,648	1,291	\$349,398
Securities Licenses		1,187	\$555,226	1,190	\$578,100
Real Estate Licenses		221	\$43,583	344	\$77,230
UCC Filings		369	\$9,971	502	\$18,502
Insurance , Securities, Banking & Real Estate Branch Totals		2,195	\$904,428	3,327	\$1,023,230
Scales		289	\$1,992	580	\$3,956
Gas Pump Meter		961	\$9,610	979	\$9,790
Taxi Meter		324	\$6,480	258	\$5,160
Weights & Measures Branch Totals		1,574	\$18,082	1,817	\$18,906
Passport Applications - Adults		2,241	\$257,715	4,492	\$597,720
Passport Applications - Minors		3,694	\$477,250	3,229	\$371,335
Guam Passport Office Totals		7,509	\$753,047	7,721	\$969,055
GuamTax.com E-Filing		177,946		248,458	
Business Privilege Tax Branch					
Forms 1040, 1040A, 1040EZ processed/filed	1	76,120		80,616	
Corporate Tax Returns processed/filed	1	4,851		3,265	
Electronic Data Processing Branch		80,971		83,881	
Income Tax Examinations	2/3	543	\$3,663,884	541	\$3,009,835
Business Privilege Tax Examinations	2/3	48	\$1,261,881	29	\$786,290
Examination Branch Totals		591	\$4,925,765	570	\$3,796,125
Driver's Licenses	5	18,732	\$570,666	30,860	\$938,744
Permits (all types)	5	2,039	\$20,390	3,346	\$33,455
Vehicle Registrations		110,218	\$14,456,358	118,293	\$16,175,769
Motor Vehicle Division Totals		130,989	\$15,047,414	152,498	17,147,968
Total Inspections		879		289	
Motor Carrier Assistance Program					

PERFORMANCE FOOTNOTES (FN):

- 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.)
- 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.
- FY2021 is preliminary.

Staff, Revenue & Budget Highlights

Staffing Pattern

DIVISION	FY2020	FY2021
Executive Direction		
Director's Office	9	14
Call Center	n	6
Passport Office	7	6
Technical Research & Appeals Bureau	2	4
System and Programming Support	2	2
Division Totals	20	26
Tax Enforcement Division		
Criminal Investigation Branch	7	8
Tax Examination Branch	21	16
Collection Branch	27	23
Division Totals	55	47
Taxpayer Service Division		
Income Tax Assistance & Processing Branch	12	8
Electronic Data Processing / SWICA Branch	8	7
Business Privilege Tax Branch	6	8
Tax Accounting Branch	8	4
Central Files Branch	6	9
Division Totals	40	36
Real Property Tax Division		
Appraisal Branch	8	7
Assessment Branch	6	4
Division Totals	14	11
Regulatory Division		
Insurance, Securities, Banking & Real Estate Branch	8	7
General Licensing & Registration Branch	7	7
Compliance Branch	7	6
Weights & Measures Branch	2	2
Division Totals	24	22
Motor Vehicle Division		
Driver's Licensing Examination Branch	14	11
Vehicle Registration Branch	8	12
Motor Carrier Safety Assistance Program	5	6
Division Totals	27	29
TOTALS	180	171

Tax Revenues (Audit)	FY2020	FY2021
Income Tax	\$324,932,867	\$352,818,156
Business Privilege Tax	\$296,518,767	\$296,805,879
Section 30 Income Tax	\$82,309,451	\$65,109,936
Hotel Occupancy Tax	\$26,366,511	\$12,372,113
Property Tax	\$34,159,248	\$35,612,339
Tobacco Tax	\$35,817,232	\$34,977,877
Liquid Fuel Tax	\$12,042,192	\$10,100,087
Alcohol Beverage Tax	\$3,955,987	\$3,519,174
Excise Tax	\$3,979,588	\$3,760,517
Limited Gaming	\$1,754,904	\$1,395,161
Total Revenues Collected	\$812,172,264	\$816,471,239

Budget Statement

Appropriations	FY2020	FY2021
General Fund	\$8,410,539	\$8,961,594
Tax Collection Enhancement Fund	\$910,341	\$884,855
Better Public Service Fund	\$1,553,426	\$1,371,842
Banking and Insurance Enforcement Fund	\$416,051	\$437,909
Federal Grant Fund	-	-
Examiner Off-Duty	-	-
DRT AFE Program	-	-
Total Appropriations	\$11,290,357	\$11,656,200
Expenditures	FY2020	FY2021
Personnel	\$8,065,570	\$8,180,019
Travel/Local Mileage Reimbursement	\$13,500	\$0
Contractual	\$1,465,640	\$1,956,978
Office Space Rental	\$1,430,792	\$1,370,025
Supplies & Material	\$65,000	\$65,043
Equipment	\$167,680	\$0
Utilities	\$73,925	\$82,750
Capital Outlay	-	-
Drug Testing	\$1,000	\$480
Miscellaneous (Board Stipend)	\$7,250	\$905
Total Expenditures	\$11,290,357	\$11,656,200

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 local and federal financial relief programs such as the EIP1, 2 & 3, Advance CTC, Ayuda I Mangafa and All Rise aid payments.
- ◆ Adhered to the many legislative initiatives that reduced business privilege tax rates and broadened the tax base.
- ◆ Established the first ever CALL CENTER, manned by customer service personnel to answer calls and facilitate the efficient handling and response to department-wide inquiries.
- ◆ Installed new computer and software system solutions to the vast majority of personnel designed to increase overall efficiencies.
- ◆ Increase income tax return processing times that leads to quicker payment of refunds and resulting in outstanding interest savings.

DEPARTMENT CHALLENGES

- ◇ Increased responsibilities due to new mandates and increased demand for services.
- ◇ Challenges with meeting mandates due to lack of financial and other resources.
- ◇ Delayed opportunities for staff development.
- ◇ Challenges with automating of all services so that customers are able to access from work, home, or via handheld devices.
- ◇ Need for a conducive work-place and working environment.
- ◇ Need to do timely updates of department-wide Standard Operating Procedures as new mandates take effect.

CURRENT AND FUTURE OUTLOOK

While COVID-19 continues to remain at the forefront of all decisions affecting our interaction with taxpayers the Department nonetheless found ways to improve services along with its mandate to collect the revenues that finance our government's operations. The department has created a safe, socially distanced environment in order to conduct business on a full-time basis. When the federal government provided monies for economic relief we streamlined the processes to disburse the funds to qualified individuals in a timely manner.

In the face of recurring challenges and added strain on our workforce and its resources, our staff continues to work to meet our agency's voluminous mandates. Income tax refund payments have progressively exceeded annual goals. Enforcement across all tax and regulatory fronts has intensified during the year, and we continue to wage an educational campaign to increase voluntary compliance. As we move into the future, our plans include a greater push toward the automation of services and use of technology.

FREQUENTLY CONTACTED BRANCHES

CALL CENTER: (671)635-1840/41

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 / CALL CENTER

(671) 635-1817, 635-1740/41

ONLINE SERVICES

**www.guamtax.com*

**www.govguamdocs.com*

**<https://pay.guam.gov>*

**<https://realidprt.guam.gov>*

**www.myguamtax.com*