



Office of the Governor of Guam

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Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

2009 JUL -7 AM 9:58

02 JUL 2009

The Honorable Judith T. Won Pat, Ed.D.
Speaker
Mina' Trenta Na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

Dear Speaker Won Pat:

Transmitted herewith is Bill No. 160(COR) 'AN ACT TO AMEND §1512.1 (I)(2) OF ARTICLE 5, CHAPTER 1 OF TITLE 5, GCA, RELATIVE TO PAYING OUT 2008 AND PRIOR YEARS' TAX REFUNDS; TO APPROPRIATE TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) TO THE DEPARTMENT OF ADMINISTRATION FOR PROCESSING AND MAILING OF COLA AND TAX REFUNDS; AND TO APPROPRIATE ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) TO THE DEPARTMENT OF REVENUE AND TAXATION FOR THE PROCESSING OF TAX REFUNDS" which I signed into law on July 1, 2009 as Public Law 30-42.

Sinseru yan Magåhet,

[Handwritten signature of Michael W. Cruz]

MICHAEL W. CRUZ, M.D.
I Maga'låhen Guåhan, para pa'go
Acting Governor of Guam

Attachment: copy of Bill

30-09-0797
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date 7/6/09
Time
Received by [Signature]

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session

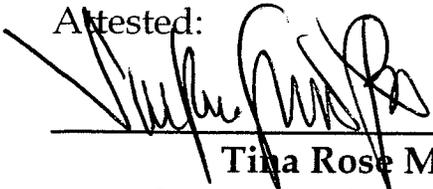
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Substitute Bill No. 160 (COR), "AN ACT TO AMEND §1512.1 (i)(2) OF ARTICLE 5, CHAPTER 1 OF TITLE 5 GCA, RELATIVE TO PAYING OUT 2008 AND PRIOR YEARS' TAX REFUNDS; TO APPROPRIATE TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) TO THE DEPARTMENT OF ADMINISTRATION FOR PROCESSING AND MAILING OF COLA AND TAX REFUNDS; AND TO APPROPRIATE ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) TO THE DEPARTMENT OF REVENUE AND TAXATION FOR THE PROCESSING OF TAX REFUNDS,"** was on the 29th day of June, 2009, duly and regularly passed.



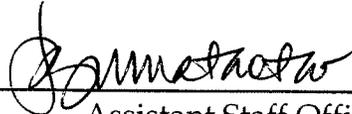
Judith T. Won Pat, Ed. D.
Speaker

Attested:



Tina Rose Muña Barnes
Senator and Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 01 day of July, 2009, at
11:11 o'clock A.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:



FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: 01 JUL 2009

Public Law No. 30-42

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session

Bill No. 160 (COR)

As substituted by the Author,
and amended on the Floor.

Introduced by:

v. c. pangelinan
Judith T. Won Pat, Ed.D.
T. C. Ada
F. B. Aguon, Jr.
F. F. Blas, Jr.
E. J.B. Calvo
B. J.F. Cruz
J. V. Espaldon
Judith P. Guthertz, DPA
T. R. Muña Barnes
Adolpho B. Palacios, Sr.
M. J. Rector
R. J. Respicio
Telo Taitague
Ray Tenorio

AN ACT TO *AMEND* §1512.1 (i)(2) OF ARTICLE 5, CHAPTER 1 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO PAYING OUT 2008 AND PRIOR YEARS' TAX REFUNDS; TO APPROPRIATE TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) TO THE DEPARTMENT OF ADMINISTRATION FOR PROCESSING AND MAILING OF COLA AND TAX REFUNDS; AND TO APPROPRIATE ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) TO THE DEPARTMENT OF REVENUE AND TAXATION FOR THE PROCESSING OF TAX REFUNDS.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1.** §1512.1 (i)(2) of Article 5, Chapter 1 of Title 5, Guam Code
3 Annotated, is *amended* to read:

1 “(2) 2008 and prior year individual tax refunds including interest *shall*
2 be paid first. Any remaining proceeds *shall* be used to pay 2008 and prior
3 year corporate tax refunds including interest: \$112,000,000;”

4 **Section 2. Appropriation and Authorization for Payment of Overtime**
5 **to the Department of Administration.** The sum of Two Hundred Fifty Thousand
6 Dollars (\$250,000) is appropriated from the Indirect Cost Fund to the Department
7 of Administration for overtime, supplies and postage for the processing and
8 mailing of COLA and income tax refunds and any other operational costs.

9 **Section 3. Appropriation of Interest from Economic Stimulus Rebate**
10 **Account for the Department of Revenue and Taxation.** The sum of One
11 Hundred Eighty Thousand Dollars (\$180,000) is appropriated from the interest
12 generated by Economic Stimulus Rebate funds that were deposited into the Income
13 Tax Reserve Trust Account to the Department of Revenue and Taxation for
14 overtime for the processing of income tax returns and refunds.

15 **Section 4. Severability.** *If* any provisions of this Act or the application
16 thereof to any person or circumstance is held invalid, such invalidity shall *not*
17 affect any other provision or application of this Act which can be given effect
18 without the invalid provision or application, and to this end the provisions of this
19 Act are severable.

6

I MINA' TRENTA NA LIHESLATURAN GUAHAN

2009 (FIRST) Regular Session

Date: 6/29/09

VOTING SHEET

Bill No. 160

Resolution No. _____

Question: _____

<u>NAME</u>	<u>YEAS</u>	<u>NAYS</u>	<u>NOT VOTING/ ABSTAINED</u>	<u>OUT DURING ROLL CALL</u>	<u>ABSENT</u>
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.					EA
BLAS, Frank F., Jr.	✓				
CALVO, Edward J.B.					EA
CRUZ, Benjamin J. F.	✓				
ESPALDON, James V.					EA
GUTHERTZ, Judith Paulette					EA
MUNA-BARNES, Tina Rose	✓				
PALACIOS, Adolpho Borja, Sr.	✓				
PANGELINAN, vicente (ben) cabrera	✓				
RECTOR, Matthew	✓				
RESPICIO, Rory J.	✓				
TAITAGUE, Telo	✓				
TENORIO, Ray	✓				
WON PAT, Judith T.	✓				

TOTAL

11 0 0 0 4

CERTIFIED TRUE AND CORRECT:


Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence



Mina' Trenta Na Liheslaturan Guahan

Senator vicente (ben) c. pangelinan (D)

June 26, 2009

The Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina Trenta Na Liheslaturan Guahan
155 Hesler Place
Hagatna, Guam 96910

VIA: The Honorable Rory J. Respicio
Chairperson, Committee on Rules

RE: COMMITTEE REPORT BILL NO. 160(COR)

2009 JUN 29 AM 10:18
MWR

Chairman
Committee on
Appropriations, Taxation,
Banking, Insurance, and
Land

Member
Committee on Education

Member
Committee on
Municipal Affairs,
Aviation, Housing, and
Recreation

Member
Committee on Labor, the
Public Structure,
Public Libraries, and
Technology

Dear Speaker Won Pat:

The Committee on Appropriations, Taxatio, Banking, Insurance, Retirement and Land, to which was referred **Bill No. 160 (COR); An Act to Amend §1512.1 (i)(2) of Article 5, Chapter 1 of Title 5 GCA Relative to paying out 2008 and prior tax refunds and to appropriate Two Hundred Fifty Thousand Dollars (\$250,000) to the Department of Administration for processing and mailing of COLA and Tax Refunds and to appropriate One Hundred Eighty Thousand Dollars (\$180,000) to the Department of Revenue and Taxation for the processing of COLA and Tax Refunds**” hereby reports out with the recommendation as substituted by the Author **TO PASS**.

Committee votes are as follows:

6 TO PASS
0 TO NOT PASS
0 TO ABSTAIN
0 TO REPORT OUT ONLY

Si Yu'os Ma'ase,


Senator ben pangelinan
Chairperson



Mina'Trenta Na Liheslaturan Guåhan

Senator vicente (ben) c. pangelinan (D)

June 26, 2009

Memorandum

Chairman
Committee on
Appropriations, Taxation,
Banking, Insurance, and
Land

Member
Committee on Education

Member
Committee on
Municipal Affairs,
Aviation, Housing, and
Recreation

Member
Committee on Labor, the
Public Structure,
Public Libraries, and
Technology

To: Members, Committee on Appropriations, Taxation,
Banking, Insurance, Retirement and Land

From: Chairman, Committee on Appropriations, Taxation,
Banking, Insurance, Retirement and Land

Subject: Committee Report - Bill No.160 (COR) An Act to Amend §1512.1 (i)(2) of Article 5, Chapter 1 of Title 5GCA Relative to paying out 2008 and prior Tax Refunds and to appropriate Two Hundred Fifty Thousand Dollars (\$250,000) to the Department of Administration for processing and mailing of COLA and Tax Refunds and to appropriate One Hundred Eighty Thousand Dollars (\$180,000) to the Department of Revenue and Taxation for the processing of COLA and Tax Refunds". Transmitted herewith for your information and action is the report on Bill No. 160(COR). This memorandum is accompanied by the following:

1. Committee Voting Sheet
2. Committee Report
3. Bill No. 160 (COR)
4. Public Hearing Sign-in Sheet
5. Notice of Public Hearing

Please take the appropriate action on the attached voting sheet. Your attention and cooperation in this matter is greatly appreciated.

Should you have any questions regarding the report or accompanying documents, please do not hesitate to contact me.

Si Yu'os Ma'ase.

ben c. pangelinan
Chairman

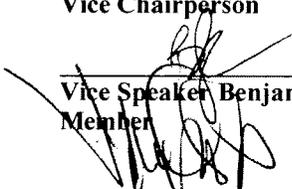
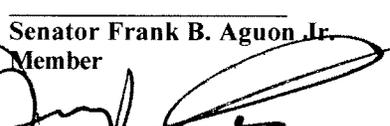
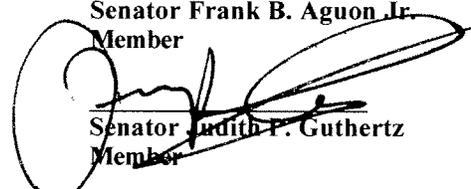
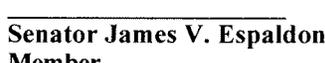
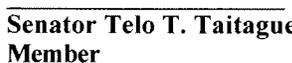
I MINA TRENTA NA LIHESLATURAN GUAHAN

Committee Voting Sheet

Committee on Appropriations, Taxation, Banking, Insurance, Retirement,
and Land

BILL NO. 160

An Act to Amend Section 1512.1 (i)(2) of Article 5, Chapter 1 of Title 5GCA
Relative to paying out 2008 and prior Tax Refunds and to appropriate Two
Hundred Fifty Thousand Dollars (\$250,000) to the Department of
Administration for processing and mailing of COLA and Tax Refunds and to
appropriate One Hundred Eighty Thousand Dollars (\$180,000) to the
Department of Revenue & Taxation for the processing COLA and Tax
Refunds.

Committee Members File	To Pass	Not to Pass	Report Out	Abstain	Inactive
 Senator Vicente C. Pangelinan Chairperson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Speaker Judith T. Won Pat, Ed.D Vice Chairperson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Vice Speaker Benjamin J.F. Cruz Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Senator Tina Rose Muna-Barnes Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Senator Frank B. Aguon, Jr. Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Senator Judith P. Guthertz Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Senator James V. Espaldon Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Senator Telo T. Taitague Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Senator Frank Blas, Jr. Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Mina' Trenta Na Liheslaturan Guahan

Senator vicente (ben) c. pangelinan (D)

Committee Report

Bill No. 160, (COR), AN ACT TO AMEND §1512.1 (i)(2) OF ARTICLE 5, CHAPTER 1 OF TITLE 5 GCA RELATIVE TO PAYING OUT 2008 AND PRIOR TAX REFUNDS AND TO APPROPRIATE TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) TO THE DEPARTMENT OF ADMINISTRATION FOR PROCESSING AND MAILING OF COLA AND TAX REFUNDS AND APPROPRIATE ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) TO THE DEPARTMENT OF REVENUE AND TAXATION FOR THE PROCESSING OF COLA AND TAX REFUNDS.

Chairman
Committee on
Appropriations, Taxation,
Banking, Insurance, and
Land

Member
Committee on Education

Member
Committee on
Municipal Affairs,
Aviation, Housing, and
Recreation

Member
Committee on Labor, the
Public Structure,
Public Libraries, and
Technology

I. OVERVIEW

The Committee on Appropriations, Taxation, Banking, Insurance, Retirement, and Land held a public hearing Friday June 26, 2009, at I Liheslaturan Guahan Public Hearing Room on Bill No. 160COR), "An to Amend §1512.1(i)(2) of Article 5, Chapter 1 of Title 5 GCA Relative to paying out 2008 and prior tax refunds and to appropriate Two Hundred Fifty Thousand Dollars (\$250,000) to the Department of Administration for processing and mailing of COLA and Tax Refunds and to appropriate One Hundred Eighty Thousand Dollars (\$180,000) to the Department of Revenue and Taxation for the processing of COLA and tax refunds". Notices for the public hearing were disseminated throughout all local media via facsimile and electronic mail and are attached herein meeting the requirements of the Open Government Law.

Members and Senators present:

Senator vicente "ben" pangelinan, Chairman
Senator Telo Taitague, Member

II. SUMMARY OF TESTIMONIES.

Senator pangelinan announced the bill on the today's agenda is Bill No. 160 COR), "An to Amend §1512.1(i)(2) of Article 5, Chapter 1 of Title 5 GCA Relative to paying out 2008 and prior tax refunds and to appropriate Two Hundred Fifty Thousand Dollars (\$250,000) to the Department of Administration for processing and mailing of COLA and Tax Refunds and to appropriate One Hundred Eighty Thousand Dollars (\$180,000) to the Department of Revenue and Taxation for the processing of COLA and tax refunds".

Those who provided oral testimonies were:

Mr. Art Illagan, Director Revenue & Taxation
Mr. John Camacho, Acting Director, Department of Administration

Senator pangelinan: This morning we have with us Mr. Art Illagan (RevTax) and Mr. John Camacho representing the Department of Administration. So, good morning gentlemen and we'll go ahead and start with your testimony this morning.

Mr. Illagan: Good morning Senator. My name is Art Illagan and I am the Director for RevTax and we're here today to get some funding to process some returns at our Department. As of June 22, 2006 and prior returns we are estimating at \$85.9M almost \$86M. Out of that, we've paid already \$44.6M. The returns, I'm trying to get the number of returns but I think that's over 15,000, it's around that amount. Outstanding to pay is \$4.3M which is the difference. Out of that \$4.3M we have \$27M that has been processed, and \$14.3M to be processed and that totaled the difference, which is \$41.3M. Out of the processed returns we have 2086 returns which is made up of 1094 individual returns, 8 non-resident returns, 1 Trust, 24 corporations and 113 Form 1331 which are adjustments to returns. To be processed, we have about 4,105 returns to be processed for a total of 6,191 returns to be refunded. Processed returns that are pending adjustments for 2006; "A" returns which are returns that are processed and ready to go, we have 106 returns at \$173,002; error returns 546 at \$1,084,528 and suspended returns at 374 at \$1,218,006. For a total for 2006, \$2,475,537. The total number of returns 1,026.

For the year 2005, we have "A" status returns which there are 36.

Senator pangelinan: "A" status meaning?

Mr. Illagan: Meaning it's ready to go. All we need to do is go in there, it's been processed and ready to go.

Senator pangelinan: Write the check.

Mr. Illagan. Write the check. We have \$52,667. The "E" returns which are error returns; it could be mathematical, somebody has to go in there and verify those returns. There's 169 of that at \$329,089. For the "S" returns – "S" returns are returns that are needing more information from the taxpayers, we can't just make the adjustments. They have to come in. We have 239 of that at \$727,680. For a total of \$1,109,437 and 444 returns.

For the 2004 and prior years, the "A" status we have 91 returns at \$162,714. The error returns we have 157 returns at \$713,685 and the suspended returns we have 222 of those at \$712,369 for a total of \$1,588,769. For 2004 and prior total 470 returns.

For the three: 2005, 2006 and 2004 prior total is 1,940 returns to be refunded.

Senator pangelinan: How many of that? Thousand?

Mr. Illagan: 1,940 returns.

Senator pangelinan: And that's from 2000__?

Mr. Illagan: 2004,2005,2006. 2004 prior, 2005 and 2006.

Senator pangelinan: Prior 2004, 2005 and 2006.

Mr. Illagan: 2006 and prior is what it is.

Senator pangelinan: So, it could include a 1999 return that just sat there, no information, individual never came in, you can't contact him but it's still suspended.

Mr. Illagan. Right.

Senator pangelinan: So, we have 1,940 returns up to 2006.

Mr. Illagan: Right. We have of course the non-resident returns we have 8 of those, Trust we have 1, Corporate returns we have 24 and adjustments on the 1040s, Form 1331 we have 113 of that. So a total of 6,191 returns to be processed for 2006 and prior.

Senator pangelinan: The total dollar figure on that?

Mr. Illagan: \$41.3M. Out of the \$41.3M, \$27M is for the processed returns which is made up of individuals at \$6.6M, Corporate at \$2.2M, non-resident returns at \$18M, Trust at \$5,000, Form 1331 at \$2.3M – total is about \$27M.

Senator pangelinan: The non-resident returns – those are individual returns or can they be corporations?

Mr. Illagan: Individuals.

Senator pangelinan: The 2008 returns?

Mr. Illagan: We're still pending software. We're waiting for payment from DOA to go to the vendor for us to get the programs. We're estimating probably – John promised that DOA would pay that some time next week since he is acting and sometime within July – mid part of July they will start testing the programs and hopefully by the latter part of July, we would start processing 2008.

Senator pangelinan: 2007 all processed.

Mr. Illagan: They are all processed except the ones that are filed late; recently like let's say two, three days ago because of the workload. Those haven't been captured but as of December 31st, all those have been captured.

Senator pangelinan. All income tax returns for 2007 filed as of December 31st – oh no, as of April 15th?

Mr. Camacho: If I may Mr. Chairman, on the 2007 I think the majority of it is processed, but 2007 statute of limitations won't expire until three years after the due date. We estimate to pay out about \$85.7M for 2007 and so far we paid out \$37.8M and we also processed \$45.6M - so if you take \$37.8M that's paid already and \$45.6M that's processed, we have about \$83M right now showing that it's already good for 2007. So, about \$2M we still anticipate maybe of paying out another \$2M in 2007 with an estimate of about 1,000 returns.

Senator pangelinan: So \$83M worth of refunds have been filed with the Department and in some fashion handled and determined by the Department.

Mr. Camacho. Right. In other words, of that \$83M, \$37.8 paid, \$45.6 is already processed. But some of them have problems. For example, we have – accepted already, ready to go if we have the money Mr. Chairman is \$43.9M of that \$45.6M, \$43.9 is ready to go.

Senator pangelinan. \$43.9M is in "A" status.

Mr. Camacho: Right. Ready to go. \$432,000 is error right now of 178 returns. In other words, we have to resolve those.

Senator pangelinan: \$483,000.

Mr. Camacho. Right. Suspended is about \$1.2M which is about 500 returns that we need to clear. In other words, they are in process but they have problems with them. But at the same time there's still a lot of returns that we anticipate to be filed because of the statute. We're looking at maybe another \$2M to pay in the long run between now and the statute.

Senator pangelinan: Right. But we can't do anything about that. Those people are going to have to wait because – like the lottery, you can't win if you don't buy a ticket, you can't get a tax refund if you don't file. So, those people can't complain that they're not getting their tax refund because they haven't filed at all. As a matter of fact, maybe the reason they're not filing is they're not getting a refund. Those we have to deal with in a separate fashion. And basically we

know this because we had to handle this return for the purpose of paying out the stimulus rebates, correct?

Mr. Camacho. Right.

Senator pangelinan: So for 2008 have we started in the processing of those returns?

Mr. Illagan: We have not yet, sir because we do not have the system. Our vendor is still working on the system. They are still waiting for payments for a lot of projects that they have done for our Department so once we pay that we can get current with our payments to our vendors. Hopefully by July – the middle part of July - they will have they system up we can start processing 2008 returns.

Senator pangelinan: Will this appropriation help you in facilitating the processing – you're trying to automate and that's fine, we certainly support that. But, let's say the testing takes a little longer or John doesn't pay the vendor, can this begin the process of at least facilitating the suspense accounts or any of the accounts in which we have the money to pay the refund, because we have some money now and then rather than waiting will this amount help you to process some returns and get them out?

Mr. Camacho: Definitely. If you are looking at 2006 – well you amending this law to include 2007 and 2008 but if you look at the 2006 and prior years, there is substantial amount of number of returns that we need to clear and I think from our staff we're anticipating by the end of September we should clear that or even earlier if we have more people involved in processing to clear those errors and I believe by the end of September we should clear those.

Senator pangelinan: I would like to thank Senator Telo Taitague for joining us. Please feel free to ask questions.

Senator Taitague: Thank you Mr. Chair. There was one question. The one you just spoke to John with regards to 2006. You said you should have everything processed by September?

Mr. Camacho: That is with this ongoing – I guess every Saturday there's I think about 20 some employees working over time and with this additional funding that Mr. Chairman that you're allowing us to continue this I think we can add more people to the processing and that would speed up the processing of the returns. And eventually if we get the software ongoing for the 2008 because the 2007 is practically done we can start on the 2008.

Senator Taitague: So the money will definitely help to get those out there. Without the additional funding what are the chances of 2006 those errors being taken care of or looked into if you didn't get the funding.

Mr. Camacho: It's very hard because the every day duty that these people are doing – the reason why we really need the overtime so people can concentrate. If you look at the report, just alone the 2006 error returns is about 900-1000 returns that are “E” and “S” and then you look at 2005 you're looking at another 400 for 2005 error and suspended and also for the 2004 prior years we have another 400 again that they need to clear. So this is very time consuming trying to clear this, try to communicate, call the taxpayer and try to resolve the matters, to try and get this thing out. I think we've come along way with your approval of the previous overtime when we did the stimulus for 2007. I believe from 2004 and prior years, there was about roughly maybe even 4,000 error returns and we got it down to this number. So we did clear a lot.

Senator pangelinan: Part of the problem – you handle the return, you find an error you need to contact the individual to correct it. Would it be a breach of any kind of security at all or any kind of privacy matter with regards to the IRS code, is if you take a look – you have these 400 returns, rather than trying to contact them individually, would it help if you put an advertisement in the paper and list saying “These following individuals are owed a tax return but can't be processed due to addition all information being required” and put down the name of the individual and schedule them to come in to the Department of Revenue and Taxation every Saturday. Say... all the 2005 on this list come in on Saturday if you want to clear your information needed so that you don't have to make the individual phone calls or try to find the information. Would that be a better way of handling it, a more efficient way so that you can – rather than trying to find these people because the information may not be current, they're not home, you leave a message and they don't call. Is that something that's feasible?

Mr. Camacho: I think we need to look into the disclosure provisions of the law. Maybe if it's feasible maybe we can look into that, Mr. Chairman. I think if we can do that it will be beneficial not only to the government but the taxpayer in resolving this matter. A lot of these returns basically deal with – for example, a schedule missing or there's an error that is missing or maybe even a signature. But we did clear a lot, I'll be honest with you. For 2007 and prior years, we cleared a lot of those and it's just now we're looking at – you're looking at the numbers that I'm giving you to try and clear and move forward.

Mr. Illagan: I've got to verify but I think when the IRS has returns that people don't claim, I think there's a list of names that go out and published but I don't know if you can put extra things in there like there's an error in your return.

Senator pangelinan: No, just say we are unable to process your refund, we need additional information.

Mr. Camacho: Something like the real property.

Senator pangelinan: Something like the Chamorro Land Trust.

Mr. Camacho: But we will look into it – the disclosure provision officers to see if they can find something.

Senator pangelinan: I remember my Dad got a call, he doesn't have any income, he's just social security so he's not required to file but on the stimulus you had to file in order to get his \$300 so he actually got a call and it was appreciated. But he happened to be home. If my niece was there or somebody younger and said that RevTax called, he probably wouldn't call them back. It's just that of saying you may have refunds coming. All it is we're trying to process your refund or we need some additional information to complete. Nothing that would breach privacy and only what is allowable within the IRS code.

Mr. Illagan: We're verify with our legal counsel.

Senator pangelinan: I think it might facilitate and have people come in and be more responsive than you trying to reach them and play phone tag. We find ourselves playing that all the time. Just a suggestion for something to look at.

Senator Taitague: I just have a question with regards to - it's on a first come first serve basis per every year that individuals come into file along with S Corporations and Corporations itself, is the priority – I hope it's not based just on individuals first and S Coprs or like a small business be in the back of the line from an individual. Do you base on first come first serve?

Mr. Illagan: We try to but there is a lot of pressure from individuals because of needs more than a corporation because corporations are more like a group of people put together and they probably have funding and they're just waiting for money or they're just waiting for their refund but they have resources to continue their operations but when you get individuals who really need their money to pay their power bills or get medicine; those go first before anything else. Their emergency needs are always looked at first and there's a lot. In the past, we've always had maybe about 200,00 to 300,000 a day just request for people coming in – it eats it all up. The refunds are kind of a larger for the corporations. One corporation can take a whole day's allotment for refunds.

Senator pangelinan: As you say, you get these emergency requests for individuals that need for medicine, off island medical care, death in the family. Do you have any idea how much you get a week? What's the value of those requests? Any idea at all?

Mr. Illagan: To start getting data like that is sort of difficult because we re short staffed. When it comes in, we just let it go. We don't – we don't add it up.

Senator pangelinan: But you must have an idea?

Mr. Illagan: Of those returns?

Senator pangelinan: Just an amount. It's 50,000 a week, 10,000 a week. I know it's basically when you have money to do it but to approve a hardship filing because you have a form that people have to file.

Mr. Illagan: Anything that was paid for 2007 was probably requested. We're doing 2006 now and if you're asking for 2007 it was requested. Whatever that number is.

Senator pangelinan: About \$38M.

Mr. Illagan: We are not prepared to prove it. Once they come in, you've got to take their word for it when they are crying in front of you...

Senator pangelinan: Are you telling me that \$37M worth of refunds that were paid in 2007 was pursuant to a hardship filing in your office?

Mr. Illagan: That's what they come in and say.

Senator pangelinan: You have a form.

Mr. Illagan: They would write that down as their request.

Senator pangelinan: So every payment was a hardship request.

Mr. Illagan: That's what they put down. We don't have the staff to audit their request. It's very difficult.

Senator pangelinan: I'm having a hard time to believe that \$38M was all hardship.

Mr. Camacho: That's a combination of not only hardship but medical and death.

Senator pangelinan: So we didn't pay out any income tax just from the normal processing and releasing payments.

Mr. Illagan: We're still working 2006 prior.

Senator pangelinan: I understand that but are you telling me that not a single tax return, refund that was issued for year 2007 was just based on the normal process.

Mr. Illagan: I don't believe so, sir. I think we're still trying to do the 2007, 2006 and then get to 2007, because 2007 was done before 2006. When they come in,

it's nay status so it's so easy to just let it go. In the past when it wasn't processed we had problems because we had to go one by one through the boxes to look for the returns.

Mr. Camacho. I think the only way that we can answer that is to go back to our processors and ask them if they ran any regular 2007 together with the requests. I think that's the only way we can answer that question.

Senator pangelinan: You can answer that – you must have a box in Art's office of all...

Mr. Illagan: It's not – it's attached to the return. So if you want to pull it out you're going to have to each return and pull out each request. It's not segregated from the rest of the forms and here's the request.

Senator pangelinan: I'm talking about the form you developed Art in your office for hardship for an expedited return. There's a form. So you didn't throw those away once you released them, did you? They must be in a box some where? How many returns was the \$37M?

Mr. Camacho: About 13,000 people?

Senator pangelinan: So 13,000 people went into Art's office, file that form and that's how they got their payment?

Mr. Camacho: That's why I'm saying we have to go back to our people that release to find out to find out if those are really all – if they are all really request for expedite, is what your're saying? That's the only how can answer your question because right now - I would say majority of that are requests because the normal ones are for 2006 and prior years so whenever they get a request they run, especially on a Thursday they run 2007.

Senator pangelinan: I am just asking that because if that's the case then something absolutely wrong with the system that in order to get a refund you have to file a hardship – a regular run you have to file a hardship return. It underscores the importance of getting these refunds out. If we're saying that \$38M worth of refunds for tax year in 2007 – we denied these people getting their refund on time and because we denied them getting their refund on time – not because Rev Tax couldn't process or Rev Tax wouldn't pay but because this government didn't set aside the money to pay it and that that we denied these people that for the emergency needs in their lives, then somebody has to answer to these kind of hardships that we impose on our own people by saying we want to do all these other things before we pay the people the money that they gave to us and trust that we will return to them when they need or not even when they need it when it's due to them after they file their taxes. This just underscores the hardship we are

inflicting on our people by not paying refunds on time. It's absolutely unconscionable that this government would act in this matter.

Mr. Illagan: We've been doing this since way back when. When we appropriate money and we find priorities are other than taxpayers of Guam which is GPSS, the public safety by giving them the money first before paying out the refunds and that's where the problem is. You gotta appropriate properly and each year you have to appropriate enough so that everybody appropriated in that budget gets their money to pay out what they need to pay. When we don't then we start borrowing from the people.

Senator pangelinan: So what's been happening is that we have been fooling ourselves when we say we're going to give \$520M; like last year's budget, we're going to give \$520M to run the entire government but by the way we already set aside your refund and before we give this money – that's the reason why I put that law in place, it says before you begin budgeting as part of that process you set aside what you will pay in refunds first and then after you do that then you set aside what you're going to use to operate the government. So, we must be fooling ourselves when we say we're going to do \$520M and pay \$70M or \$80M in refunds and we don't pay the \$80M at all- we only pay \$40M and then we still spend the \$520M.

Mr. Camacho: I totally agree and that's why the refund liability is always at 250-260 every fiscal year, it never goes down but with this now this \$112M it's going to go down the 250 average including the EITC. It's going to go down maybe to about hundred some million.

Senator pangelinan: That's what we said. But in 1995 we went to zero. In 1995, we borrowed \$115M to pay past due tax returns and we filled that hole we were in. It was flat. We should have been on flat ground coasting in paying the refunds. Ten years later or fifteen years later we find that we dug that hole and we dug it even some more.

Mr. Illagan: Back when they stopped paying the EIC, that became a liability of this current administration. It should have been paid back then, they took the money and spent it on other things and then when it's time to properly look at what we really owe the people we look at now a bigger deficit because we owe EIC, we owe COLA and all that affected how we pay the refunds. Just a bigger deficit. So every year when we put aside \$80M or \$76M that we say we're going to put aside, I believe DOA and Budget Office puts it aside but it's taken for all the prior year's obligations of the refunds.

Senator pangelinan: Art, but this Administration didn't begin paying the EIC until six years into its Administration. So, it participated in that digging that hole. We're not in this case only because of – this Administration had six years to pay

out fully those income tax returns and it didn't either and it still wasn't paying that EIC itself.

Mr. Illagan: To tell you the truth, sir when you implemented the 2% increase in GRT that was making \$60M estimate for the year; \$30M for the six month period. Then it stopped. We were trying to find ways to make payments to keep payroll going, to keep MIP going, to keep everything going. It's just we start borrowing from the people by not paying the refunds.

Senator Pangelinan: But in all of those years, they appropriated the money or they set aside the money for the refunds.

Mr. Illagan: But when we came in 2003, we had 2000, 2001, 2002 to pay. So, we're still trying to pay them. At least we kept up with those years. We're not trying to pay 2004, 2005, 2006; that's still 3 years. So, it's an ongoing thing that has happened in the past and we're just trying to pay it down. We haven't spent anything really except to try and get our deficit down.

Senator Taitague: John, you mentioned earlier about the automation that you're trying to get in the – the software or program that you're putting in. The questions things as what we just talked about – the hardships. Will that be infused in the program that we can actually tell to pull that kind of data out.

Mr. Illagan: For that. Right now the program is only for GRT. We're trying to get the 1040EZs in there, but it's going to cost money. We have the hardware and software for the GRT but not for the income tax returns. It's money; I'm asking for appropriation to get that thing done.

Senator Taitague: During the hearing that we had last time, Mr. Camacho was here and everybody from Rev Tax on your budget hearing there was a discussion about this automation and putting everything on computer and data information and that was strictly on GRT and nothing on income taxes?

Mr. Illagan: In the future, that machine can handle both GRT and income tax and other forms that are not processable – or does not need to be processed like business license and corporate documents.

Mr. Camacho: Other than that we also have other ways of looking at reducing the government's time in processing. What we have now currently is that people are allowed to file on line – the EZ. So that's not processed. Once you file on line for your 1040EZ that's automatically gets verified and it gets a "A" status. We're getting I think funding from DOI to try and implement maybe by next year the 1040A. So it's a phase in thing. Once we get the 1040A in maybe hopefully next year, I think there's some money allocated for that for software for try and have people to file on line the 1040A. I think we're getting people to file on line just like the IRS. One of their goals was to try and have at least 70% of IRS

taxpayers to file on line and that's one way also of our way of looking at things to minimize the resources of processing returns.

Senator pangelinan: John, so what's going to happen by next month in July in the automation and payment of this vendor and he's going to do something for you in programming as it relates to the facilitation and processing of the income tax returns for 2008. Art says hopefully if you pay the vendor, he's going to come in to do some work and that's going to be related to the processing of those tax returns for 2008?

Mr. Camacho: Yes. In other words the program every year, the vendor programs are – every tax year there's a different formula so they have to program it then once they program it we do a test run for several days. We do dummy returns to verify and we do it manually and make sure everything is Ok. I spoke to Lou yesterday to see if we can pay the vendor some money so we can get this thing going and Lou agreed we are going to try and make some money next week.

Senator pangelinan: And how much is that?

Mr. Camacho: I believe there's one for \$286,000 that we offer for some many months – I think the monthly fee is \$58,000 a month that we pay.

Senator pangelinan: You don't need any additional appropriation to pay for that? The authorization to pay to spend that money is within that budget of each – either DOA or Rev Tax.

Mr. Camacho: I think yes.

Mr. Illagan: It's just a matter of paying it – borrowing from the vendor and the taxpayer.

Senator pangelinan: So, of the \$7M released from the escrow account for the landfill consent decree that was taken that you could actually go in there and say this is a priority that \$280,000 is going to go to the vendor so we can begin processing, get the vendor in here in there to re-program the tax program at Rev Tax and begin processing the refunds.

Mr. Camacho: That is correct. I spoke to Lou yesterday and yes we can get it next week.

Senator Taitague: Let me let this straight – this automation this process that you're going to be stating and testing in July will only process income tax returns – the paperwork will go through this machine that will calculate ... I'm a little confused. ,

Mr. Illagan: Every year we need to update our programs because it's a different tax year. So what they do is write the program for this current year for the 1040,

1040A, 1040EZ, 1040NR and then when that's up and going somebody sits down, takes the return looks at it, keys in the numbers and the name and what's showing on the W2s so that the machine will process the return. If there are errors those are the ones that show up either "E" status "S" status or accepted if everything is alright. It's separate from the programs that we trying to automate with the scanner. That's a different program altogether. We've been doing this for the last 20 or 30 years where every year we have to update the programs and get new programs for the current year.

Senator pangelinan: John and Art you mentioned that all of this processing including the EITC.

Mr. Illagan: For 2005 and forward, it's built into the returns.

Senator pangelinan: For 2005 and forward the EIC is part of the calculation for the refunds. So what is the processing of 2006 and prior and basically or 2005 and prior what is going to happen to the processing of EITC payments for 2005 and prior?

Mr. Camacho: Is the settlement you are talking about? It's 2004 and prior.

Senator pangelinan: Yes, 2004 and prior. What is happening with those now?

Mr. Camacho: Those things are all processed already. It's just a matter of getting the funding from the 15% set aside.

Senator pangelinan: So all of the EIC payments for 2004 and prior are basically "A" status.

Mr. Camacho: With several

Senator pangelinan: 80-90%?

Mr. Camacho: Yes, I think everything is there already. It's just a matter of getting the money out.

Senator pangelinan: Up to where are we at as far as payment.

Mr. Camacho: I believe we paid part of 2000.

Mr. Illagan: I think we have \$2.3 left to pay in 2000. Then 2002, 2003, 2004 it's settlement of 15 each so that's \$6.2M all together to pay the rest of the year. I believe it's \$1.5 every year so that's 4 years so that's six plus the 2.3 we need to pay in 2000.

Senator pangelinan: We're paying – of the processed amounts. It totals 1.5 a year?

Mr. Illagan: No, it's \$15M.

Mr. Camacho: I think for 2001, 2002, 2003, 2004 it's \$15M. Up to \$15M.

Senator pangelinan: But is that amount that you've calculated. Or is it less than 15. It depends on how many files.

Mr. Camacho: I think every year it's less than 15. Except for that one year where there's – that prior year, which is the 98 I think. That's the year that I think exhausted the 15.

Senator pangelinan: So what's been the average?

Mr. Camacho: I don't have – we can give you an updated report.

Senator pangelinan: Can you do that because I'm getting people asking what's the status of their payment with all of these past due income taxes being paid how does it affect their payments.

Mr. Camacho: I believe from my conversation with Lorraine who handles the ... I think this bond money, once the money is placed in the account it will generate \$16.8M to put aside. This could pay the remaining 2000, the entire 2001 and part 2002.

Senator pangelinan: So we could conceivably clear our liability up to 2002.

Mr. Camacho: Not the entire 2002. Because there's some money in there already – about \$2M or \$3M that's available plus the 16 and she was telling me it would get us up to 2002.

Senator pangelinan: Not entirely. But we will be making payments for what we owe up to 2002.

Mr. Camacho: Chronologically... first come first.

Senator pangelinan: It's year.

Mr. Camacho: By year and first come first.

Senator pangelinan: And the processing of this is just going to be at the same time you're doing the refund checks.

the passage of this law to include the 2007 and 2008 we can ask for the remaining and put it there so we can justify our request.

Senator pangelinan: I don't have any other questions. Anything else you wish to add. Art?

Mr. Illagan; I know we're asking for overtime and our staff is working and sometimes we work with DOA. So can we include part of DOA. We need their staff to be part of the overtime.

Senator pangelinan: Yes, we have included DOA in this bill.

Mr. Camacho: For the processing of income tax returns? That's good. Lou asked me if I could mention that to you. I asked Art if we could do that.

Senator pangelinan: So, we've included them for the processing of refunds and returns and COLA because they may need to work a little bit overtime to get the checks out. Most of that is done, but if they incurred overtime they can pay the employees so not have the employees wait again.

Hearing adjourned.

III. FINDINGS AND RECOMMENDATION

As there were no other testimonies on Bill No. 160, Chairman ben pangelinan closed the hearing.

The Committee on Appropriations, Taxation, Banking, Insurance, Retirement, and Land, to which Bill No. 160 COR), "An to Amend §1512.1(i)(2) of Article 5, Chapter 1 of Title 5 GCA Relative to paying out 2008 and prior tax refunds and to appropriate Two Hundred Fifty Thousand Dollars (\$250,000) to the Department of Administration for processing and mailing of COLA and Tax Refunds and to appropriate One Hundred Eighty Thousand Dollars (\$180,000) to the Department of Revenue and Taxation for the processing of COLA and tax refunds" was referred, does hereby submit recommendations to *I Mina Trenta Na Liheslaturan Guahan*, as substituted by the author **TO DO PASS** Bill No. 160.



Mina' Trenta Na Liheslaturan Guahan
THIRTIETH GUAM LEGISLATURE

Senator vicente "ben" c. pangelinan

COMMITTEE ON APPROPRIATIONS, TAXATION, BANKING, INSURANCE, RETIREMENT AND LAND
PUBLIC HEARING

June 26, 2009

BILL NO. 160

SIGN UP SHEET

NAME	ADDRESS	PHONE	EMAIL	WRITTEN	ORAL	SUPPORT	AGAINST
ART ILAGAN	DRT	635-1817	ilagan@revtax.gov.gu		✓	✓	
John Camacho	DRT/DOA	635-1816	jpcamacho@revtax.gov.gu		✓	✓	

**I Mina' Trenta Na Liheslaturan Guåhan
2009 (FIRST) Regular Session**

**Bill No. 160
Substituted by the Author**

Introduced by:

v. c. pangelinan

AN ACT TO AMEND §1512.1 (i)(2) OF ARTICLE 5, CHAPTER 1 OF TITLE 5 GCA RELATIVE TO PAYING OUT 2008 AND PRIOR TAX REFUNDS AND TO APPROPRIATE TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) TO THE DEPARTMENT OF ADMINISTRATION FOR PROCESSING AND MAILING OF COLA AND TAX REFUNDS AND APPROPRIATE ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) TO THE DEPARTMENT OF REVENUE AND TAXATION FOR THE PROCESSING OF COLA AND TAX REFUNDS.

1 **BE IT ENACTED BY THE PEOPLE OF:**

2 **Section 1.** §1512.1 (i)(2) of Article 5, Chapter 1 of Title 5 GCA is amended to read:

3 (2) 2006~~8~~ and prior year individual ~~and corporate~~ tax refunds including interest, ~~if any,~~
4 ~~thereon and individual tax refunds shall~~ be paid first. Any remaining proceeds shall be used
5 to pay 2008 and prior year corporate tax refunds including interest. : \$112,000,000;

6 **Section 2. Appropriation and Authorization for Payment of Overtime to the**
7 **Department of Administration.**

8 The sum of One Hundred Eighty Thousand Dollars (\$250,000) is appropriated from
9 the Indirect Cost Fund to the Department of Administration for overtime, supplies and
10 postage for the processing and mailing of COLA and income tax returns and any other
11 operational costs.

12 **Section 3. Appropriation of Interest from Economic Stimulus Account for**
13 **the Department of Revenue and Taxation.**

14 The sum of One Hundred Eighty Thousand Dollars (\$180,000) is appropriated from
15 the interest generated by Economic Stimulus Rebate accounts to the Department of Revenue
16 and Taxation for overtime for the processing of income tax returns.

17 **Section 4. Severability.** If any provisions of this Act or the application thereof to
18 any person or circumstance is held invalid, such invalidity shall not affect any other
19 provision or application of this Act which can be given effect without the invalid provision or

1 application, and to this end the provisions of this Act are severable.

I Mina' Trenta Na Liheslaturan Guåhan
2009 (FIRST) Regular Session

Bill No. 160 (COR)

Introduced by:

v. c. pangelinan

AN ACT TO AMEND §1521.1 (i)(2) OF ARTICLE 5, CHAPTER OF TITLE 5 GCA RELATIVE TO PAYING OUT 2008 AND PRIOR TAX REFUNDS AND TO APPROPRIATE TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) TO THE DEPARTMENT OF ADMINISTRATION FOR PROCESSING AND MAILING OF COLA AND TAX REFUNDS AND APPROPRIATE ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) TO THE DEPARTMENT OF REVENUE AND TAXATION FOR THE PROCESSING OF COLA AND TAX REFUNDS.

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16 and Taxation for overtime for the processing of income tax returns.

17 **Section 4. Severability.** If any provisions of this Act or the application thereof to
18 any person or circumstance is held invalid, such invalidity shall not affect any other
19 provision or application of this Act which can be given effect without the invalid provision or
20 application, and to this end the provisions of this Act are severable.

2009 JUN 18 PM 11:33


Bill/Resolution Introduction/Referral

Bill	Sponsor	Description	Date Introduced	Date Referred	Committee Referred
160(COR)	v. c. pangelinan	An act to amend §1521.1 (i)(2) of Article 5, Chapter of Title 5 GCA relative to paying out 2008 and prior tax refunds and to appropriate Two Hundred Fifty Thousand Dollars (\$250,000) to the Department of Administration for processing and mailing of cola and tax refunds and appropriate One Hundred Eighty Thousand Dollars (\$180,000) to the Department Of Revenue And Taxation for the processing of cola and tax refunds.	6-18-09	6-18-09	Committee on Appropriations, Taxation, Banking, Insurance, Retirement and Land



COMMITTEE ON RULES

I Mina'Trenta na Liheslaturan Guåhan • 30th Guam Legislature

155 Hesler Place, Hagatña, Guam 96910 • tel: (671)472-7679 • fax: (671)472-3547 • roryforguam@gmail.com

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**SENATOR
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**James V. Espaldon
SENATOR**

June 18, 2009

Memorandum

To: Clerk of the Legislature
I Mina'Trenta Na Liheslaturan Guåhan

Attorney Therese M. Terlaje
*Legislative Legal Counsel
I Mina'Trenta Na Liheslaturan Guåhan*

From: Senator Rory J. Respicio 
*Chairperson, Committee on Rules
I Mina'Trenta Na Liheslaturan Guåhan*

Subject: Referral of Bill No. 160 (COR)

As Acting Chairperson of the Committee on Rules, I am forwarding my referral of Bill No. 160 (COR).

Please ensure that the subject Bill is referred, in my name, to the respective Chairperson, as shown on the attachment. I am also requesting that the same be forwarded to all Senators of *I Mina'Trenta Na Liheslaturan Guåhan*.

Should you have any questions, please contact Elaine Tajalle or Stephanie Mendiola from my office.

Si Yu'os Ma'åse.

Attachment

2009 JUN 19 AM 11:26



Stephanie Mendiola <sem@guamlegislature.org>

Public Hearing Notice from Senator ben pangelinan

Lisa Cipollone <cipo@guamlegislature.org>

Fri, Jun 19, 2009 at 4:27 PM

To: news@guampdn.com, news@k57.com, news@kuam.com, news@spbguam.com, news@hitradio100.com, msilva@spbguam.com, msilva@pacificnewscenter.com, jtyquiengco@spbguam.com, sabrina@kuam.com, jason@kuam.com, clynt@kuam.com, mindy@kuam.com, gerry@mvguam.com, marvic@mvguam.com, rgibson@k57.com, cmelyan@guam.gannett.com

Please see attached.

--

Lisa Cipollone
Chief of Staff
Office of Senator ben c. pangelinan
(671) 473-4236
cipo@guamlegislature.org

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392K



Mina' Trenta Na Liheslaturan Guahan
THIRTIETH GUAM LEGISLATURE

Senator vicente "ben" c. pangelinan

**COMMITTEE ON APPROPRIATIONS, TAXATION, BANKING, INSURANCE,
RETIREMENT AND LAND**

PUBLIC HEARING

Friday, June 26, 2009

8:00am

Guam Legislature Public Hearing Room

AGENDA

Bill No. 160 (COR): AN ACT TO AMEND §1512.1 (i)(2) OF ARTICLE 5, CHAPTER 1 OF TITLE 5 GCA RELATIVE TO PAYING OUT 2008 AND PRIOR TAX REFUNDS AND TO APPROPRIATE TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) TO THE DEPARTMENT OF ADMINISTRATION FOR PROCESSING AND MAILING OF COLA AND TAX REFUNDS AND TO APPROPRIATE ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) TO THE DEPARTMENT OF REVENUE AND TAXATION FOR THE PROCESSING OF COLA AND TAX REFUNDS.



Mina' Trenta Na Liheslaturan Guåhan

Senator vicente (ben) c. pangelinan (D)

June 19, 2009

Memorandum

To All Senators

From: ~~Senator~~ ben pangelinan

Re: Public Hearing Notice

Chairman
Committee on
Appropriations, Taxation,
Banking, Insurance, and
Land

Member
Committee on Education

Member
Committee on
Municipal Affairs,
Aviation, Housing, and
Recreation

Member
Committee on Labor, the
Public Structure,
Public Libraries, and
Technology

The Committee on Appropriations, Taxation, Banking, Insurance and Land will be conducting a public hearing beginning at 8:00am on **Friday, June 26, 2009** at the Guam Legislature's Public Hearing Room. The following bill is on the agenda:

Bill No. 160 (COR): AN ACT TO AMEND §1512.1 (i)(2) OF ARTICLE 5, CHAPTER 1 OF TITLE 5 GCA RELATIVE TO PAYING OUT 2008 AND PRIOR TAX REFUNDS AND TO APPROPRIATE TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) TO THE DEPARTMENT OF ADMINISTRATION FOR PROCESSING AND MAILING OF COLA AND TAX REFUNDS AND APPROPRIATE ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) AND TO THE DEPARTMENT OF REVENUE AND TAXATION FOR THE PROCESSING OF COLA AND TAX REFUNDS.

Si Yu'os Ma'ase,

PDA - 6-23-09



Mina' Trenta Na Lihesiaturan Guahan
THIRTIETH GUAM LEGISLATURE
Senator vicente "ben" c. pangelinan

NOTICE OF PUBLIC HEARING

COMMITTEE ON APPROPRIATIONS, TAXATION, BANKING,
INSURANCE, RETIREMENT AND LAND

Date: Friday, June 26, 2009

Time: 8:00am

Place: Guam Legislature Public Hearing Room

Agenda

Bill No. 160 (COR): AN ACT TO AMEND §1512.1 (i)(2) OF ARTICLE 5, CHAPTER 1 OF TITLE 5 GCA RELATIVE TO PAYING OUT 2008 AND PRIOR TAX REFUNDS AND TO APPROPRIATE TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) TO THE DEPARTMENT OF ADMINISTRATION FOR PROCESSING AND MAILING OF COLA AND TAX REFUNDS AND TO APPROPRIATE ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) TO THE DEPARTMENT OF REVENUE AND TAXATION FOR THE PROCESSING OF COLA AND TAX REFUNDS.

For copies of the bills, you can log onto www.guamlegislature.com. If you require any special accommodations, please contact the Office of Senator ben pangelinan at 473-4236 or email at senbenp@guam.net



Office of the People
Senator
ben pangelinan

Notice of Public Hearing

COMMITTEE ON APPROPRIATIONS, TAXATION, BANKING,
INSURANCE, RETIREMENT AND LAND

Friday, June 26, 2009

8:00am

Guam Legislature Public Hearing Room

Agenda

Bill No. 160 (COR): AN ACT TO AMEND §1512.1 (i)(2) OF ARTICLE 5, CHAPTER 1 OF TITLE 5 GCA RELATIVE TO PAYING OUT 2008 AND PRIOR TAX REFUNDS AND TO APPROPRIATE TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) TO THE DEPARTMENT OF ADMINISTRATION FOR PROCESSING AND MAILING OF COLA AND TAX REFUNDS AND TO APPROPRIATE ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) TO THE DEPARTMENT OF REVENUE AND TAXATION FOR THE PROCESSING OF COLA AND TAX REFUNDS.

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[Signature]

**I Mina' Trenta Na Liheslaturan Guåhan
2009 (FIRST) Regular Session**

Bill No. 160CCOR

Introduced by:

v. c. pangelinan

AN ACT TO AMEND §1521.1 (i)(2) OF ARTICLE 5, CHAPTER OF TITLE 5 GCA RELATIVE TO PAYING OUT 2008 AND PRIOR TAX REFUNDS AND TO APPROPRIATE TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) TO THE DEPARTMENT OF ADMINISTRATION FOR PROCESSING AND MAILING OF COLA AND TAX REFUNDS AND APPROPRIATE ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) TO THE DEPARTMENT OF REVENUE AND TAXATION FOR THE PROCESSING OF COLA AND TAX REFUNDS.

1 **BE IT ENACTED BY THE PEOPLE OF:**

2 **Section 1.** §1521.1 (i)(2) of Article 5, Chapter 1 of Title 5 GCA is amended to read:

3 (2) 2006~~8~~ and prior year individual ~~and corporate~~ tax refunds including interest, ~~if any,~~
4 ~~thereon and individual tax refunds shall~~ be paid first. Any remaining proceeds shall be used
5 to pay 2008 and prior year corporate tax refunds including interest. : \$112,000,000;

6 **Section 2. Appropriation and Authorization for Payment of Overtime to the**
7 **Department of Administration.**

8 The sum of One Hundred Eighty Thousand Dollars (\$250,000) is appropriated from
9 the Indirect Cost Fund to the Department of Administration for overtime, supplies and
10 postage for the processing and mailing of COLA and income tax returns and any other
11 operational costs.

12 **Section 3. Appropriation of Interest from Economic Stimulus Account for**
13 **the Department of Revenue and Taxation.**

14 The sum of One Hundred Eighty Thousand Dollars (\$180,000) is appropriated from
15 the interest generated by Economic Stimulus Rebate accounts to the Department of Revenue
16 and Taxation for overtime for the processing of income tax returns.

17 **Section 4. Severability.** If any provisions of this Act or the application thereof to
18 any person or circumstance is held invalid, such invalidity shall not affect any other
19 provision or application of this Act which can be given effect without the invalid provision or
20 application, and to this end the provisions of this Act are severable.