



COMMITTEE ON RULES

I Mina'trentai Tres na Liheslaturan Guåhan • The 33rd Guam Legislature

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June 18, 2015

Memorandum

To: **Rennae Meno**
Clerk of the Legislature

From: **Senator Thomas C. Ada** 
Acting Chairperson of the Committee on Rules

Subject: **Fiscal Notes and Fiscal Note Waivers**

Hafa Adai!

Attached please find the fiscal notes and fiscal note waivers for the bill numbers listed below. Please note that the fiscal notes and fiscal note waiver are issued on the bills as introduced.

FISCAL NOTES:

Bill No. 8-33(COR)
Bill No. 67-33(COR) Revised
Bill No. 75-33(COR)
Bill No. 78-33(COR)
Bill No. 87-33(LS)
Bill No. 88-33(LS)
Bill No. 93-33(LS)

FISCAL NOTE WAIVERS:

Bill No. 72-33(COR)
Bill No. 102-33(COR)
Bill No. 119-33(COR)
Bill No. 123-33(COR)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

Si Yu'os ma'åse'!


2015 JUN 18 PM 3:41

Bureau of Budget & Management Research
Fiscal Note of Bill No. 87-33 (LS)

AN ACT TO ADD A NEW ARTICLE 7 TO CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING A VIDEO SURVEILLANCE TAX CREDIT FOR COSTS INCURRED BY LOCAL BUSINESSES TO PURCHASE AND INSTALL VIDEO SURVEILLANCE CAMERAS IN SUPPORT OF GUAM'S EMERGENCY REPORTING SYSTEM.

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Revenue & Taxation	Dept./Agency Head: John P. Camacho, Director
Department's General Fund (GF) appropriation(s) to date:	9,052,847
Department's Other Fund (Specify) appropriation(s) to date: Tax Collection Enhancement Fund (\$864,487) / Better Public Service Fund (\$1,829,515)	2,694,002
Total Department/Agency Appropriation(s) to date:	\$11,746,849

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2014 Unreserved Fund Balance		\$0	\$0
FY 2015 Adopted Revenues	\$0	\$0	\$0
FY 2015 Appro. (P.L. 32-181 thru 33-07)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2015 (if applicable)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund	\$47,211	\$47,211	\$47,919	\$48,638	\$49,368	\$50,108
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$47,211	\$47,211	\$47,919	\$48,638	\$49,368	\$50,108

- Does the bill contain "revenue generating" provisions? / / Yes / X / No
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? / / N/A / / Yes / X / No
If no, what is the additional amount required? \$ _____ / X / Reference: Notes
- Does the Bill establish a new program/agency? / / Yes / X / No
If yes, will the program duplicate existing programs/agencies? / X / N/A / / Yes / / No
Is there a federal mandate to establish the program/agency? / / Yes / X / No
- Will the enactment of this Bill require new physical facilities? / / Yes / X / No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: / X / Yes / / No
/ / Requested agency comments not received by due date / / Other:

Analyst: Jason Bera Date: 6/16/15 Director: [Signature] **JUN 18 2015**
 Jason Bera, BMA I [Signature] Jose S. Calvo, Director

Notes:
 Business Privilege Tax has increased by approximately 5%, or \$11.2M annually, between Fiscal Years 2011 - 2015 (General Appropriations Act for each year respectively). Bill 87-33 establishes an annual tax credit maximum of \$200,000 not to exceed \$1,000,000 over a 5-year period against unpledged business privilege taxes. According to information provided by the Department of Revenue and Taxation (DRT), a total of 800 claims may be expected annually based on the maximum annual tax credit (\$200K). As such, DRT is expected to exert 1,200 man-hours annually or approximately \$47,211 in personnel cost (inclusive of benefits) in order to accommodate tax claims. However, this amount may increase as DRT determines additional Systems/IT (Information Technology) related functions that may be necessary to support implementation. Debt service, other applicable tax credits, and potential increases to the government's annual operating expenses may likely influence the amount of unpledged business privilege taxes that may be used as tax credits towards surveillance cameras. Lastly, the Bureau notes OPA Performance Audit Report No. 07-15 for an overall assessment of on-going tax credit programs to be made in order to determine whether program objectives were achieved and whether the tax credit programs should be closed if they have met their legislative purpose. It should be noted that the projected fiscal impact for FY16 - FY19 assumes that the personnel cost to accommodate tax claims will increase due to salary increments of the employees processing such tax claims.