



I Mina' Trenta Na Liheslaturan Guåhan
30th GUAM LEGISLATURE
Senator vicente "ben" c. pangelinan

News Release

LOCAL TAX ENFORCEMENT OF MILITARY CONTRACTS DISCUSSIONS CONTINUE BETWEEN NAVFAC AND GOVERNMENT OF GUAM

FOR IMMEDIATE NEWS RELEASE (October 7, 2010) – HAGÁTÑA – As a follow-up to last week's meeting with NAVFAC's Assistant Commander of Acquisitions Mr. Robert Griffin in Washington, D.C., Senator vicente "ben" c. pangelinan met with Mr. Griffin again today. Aside from Mr. Griffin, the meeting to included NAVFAC Marianas Commanding Officer Captain Peter Lynch, Acquisitions Director Andrew Wall, and Department of Revenue & Taxation (DRT) personnel, including Director Art Ilagan.

Discussions during the meeting centered on clarification of the Business Privilege Taxes and the applicable tax liability of contractors working on NAVFAC funded projects. All parties agreed to research each interpretation and work together to ensure military contractors pay their fair share of gross receipts taxes. In addition, the reporting of information by NAVFAC to DRT vital to enforcement of tax collection was discussed. Further research is required by NAVFAC related to the administrative release of the information.

Senator pangelinan explained the importance of the meeting and cooperation between the military and local government on the issue of tax enforcement. He stated "I continue to be encouraged by the willingness of Mr. Griffin and NAVFAC to engage the government of Guam. I think there is a better understanding and appreciation for the unique issues faced by the DRT related to collecting taxes from military contracts."

According to the Final Environmental Impact Statement, the Government of Guam is estimated to collect between \$400 and \$500 million in Gross Receipts Taxes from military contracts. Senator pangelinan concluded "There is more work to be done but I have no doubt that by early next year all these issues will be ironed out and Guam will be well positioned to collect the maximum amount of tax revenues from military contracts."

Senator pangelinan is hosting a Round Table Meeting next Monday, October 11, 2010 at 10 am in the Public Hearing Room of *I Liheslaturan Guåhan* to discuss territorial tax policy including the application of the Gross Receipts Tax on military contracts. Among those invited to attend the meeting are local economists, tax professionals, the Guam Chamber of Commerce, and the DRT.

For further information, please contact the Offices of Senator ben pangelinan at 473-4236 or email at senbenp@guam.net

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