



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

News Release

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**NEVER SENT**  
**ROUND TABLE DISCUSSES OPPORTUNITIES TO  
INCREASE LOCAL TAX REVENUE COLLECTIONS**

**FOR IMMEDIATE NEWS RELEASE (November 9, 2010– Hagåtña)** – Senator ben c. pangelinan's (D), Chairman of the Committee on Appropriations, Taxation, Banking, Retirement, Insurance, and Land along with the Office of Finance & Budget (OFB) held a roundtable meeting with business community experts, the Guam Chamber of Commerce and the officials of the Department of Revenue and Taxation (DRT) to outline and discuss policy initiatives aimed at increasing efficiency and tax revenues captured by the government of Guam.

During the roundtable meeting, an OFB proposal incorporating IRS technology to process Guam income tax returns was discussed. The proposal seeks to allow Guam taxpayers to file tax returns electronically with the IRS. As a result, the DRT will benefit with timely and screened information to greatly increase compliance action resulting in more revenues to the government. The IRS currently processes approximately 72% of all income tax returns online; whereas, it is estimated that the DRT processes less than 10% online. One participant from the private sector with expertise in tax filing believes an arrangement with the IRS would result in "significantly increased revenues to the government [of Guam]."

Also presented was a proposal to reverse the administration of Gross Receipt Taxes (GRT) on the construction industry, which would have the GRT assessed at the prime contractor level with exemptions at the subcontractor level, making the change cost neutral. However, the change will significantly reduce the number of accounts, which DRT will need to track during the massive construction boom of the military expansion.

Senator pangelinan says, "The military expansion is coming. The goal of all these proposed changes and actions is to ensure the maximum economic benefit for Guam related military expansion activity".

Senator pangelinan also sought the input of the group on the development of a strategy to have the federal government reimburse the payments of earned income credits made to Guam taxpayers and the ability of local employers to participate in the advance earned income tax credit program.

"We need to explore all courses of actions such as incorporating technology, making legislative changes, and lobbying federal officials to close the leakage of tax revenue collections. These issues are vital to the economic welfare of our people to ensure we receive parity in this arrangement with the United States Federal Government" Senator pangelinan added.

The roundtable meeting was the result of a series of high-level meetings of Sen. pangelinan with federal officials in Washington D.C. during the last week of September.

For further information, please contact the Offices of Senator ben pangelinan at 473-4236 or email at [senbenp@guam.net](mailto:senbenp@guam.net)

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