

I Mina'trentai Sais Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
261-36 (LS)	Therese M. Terlaje	AN ACT TO <i>REPEAL</i> ARTICLE 4 AND ARTICLE 5, BOTH OF CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO ELIMINATING THE LIQUID FUEL TAX.	2/22/22 12:34 p.m.	3/2/22	Committee on General Government Operations, Appropriations, and Housing			Request: 3/2/22 3/4/22	



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

I Mina'trentai Sais Na Liheslaturan Guåhan

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March 4, 2022

MEMO

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

From: **Vice Speaker Tina Rose Muña Barnes**
Chairperson, Committee on Rules

Re: **Fiscal Notes**

Håfa adai,

Attached, please find the fiscal notes for the following bills:

Bill No. 253-36 (COR)

Bill No. 257-36 (LS)

Bill No. 260-36 (LS)

Bill No. 261-36 (LS)

Please forward the same to Management Information Services (MIS) for posting on our website.

If you have any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.



Bureau of Budget & Management Research
Fiscal Note of Bill No. 261-36 (LS)

AN ACT TO REPEAL ARTICLE 4 AND ARTICLE 5, BOTH OF CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO ELIMINATING THE LIQUID FUEL TAX.

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Revenue and Taxation (DRT)	Dept./Agency Head: Dafne Mansapit-Shimizu, Director
Department's General Fund (GF) appropriation(s) to date:	\$12,065,785
Department's Other Fund appropriation(s) to date: Banking and Insurance Enforcement Fund (\$478,857); Better Public Service Fund (\$1,291,037); Tax Collection Enhancement Fund (\$808,767)	\$2,578,661
Total Department/Agency Appropriation(s) to date:	\$14,644,446

Fund Source Information of Proposed Appropriation

	General Fund:	Special Fund:	Total:
FY 2021 Unreserved Fund Balance	\$0	\$0	\$0
FY 2022 Adopted Revenues	\$0	\$0	\$0
FY 2022 Appro. (P.L. 36-54)	\$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 2022 (if applicable)	FY 2023	FY 2024	FY 2025	FY 2026
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Guam Highway Fund	1/	1/	1/	1/	1/	1/
Total	1/	1/	1/	1/	1/	1/

1. Does the bill contain "revenue generating" provisions? / / Yes /X/ No
If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A / / Yes / / No
If no, what is the additional amount required? \$ /X/ N/A
3. 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
4. Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
5. Was Fiscal Note coordinated with the affected dept/agency? DRT /X/ Yes / / No
If no, indicate reason: / / Other
/ / Requested agency comments not received by due date:

Analyst: <u>Raymond Rieta, BMA II</u>	Date: <u>3/4/22</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <u>MAR 03 2022</u>
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Notes:
1/ See Additional Comments.

Bureau of Budget & Management Research
Comments on Bill No. 261-36 (LS)

Bill No. 261-36 is an act to repeal Article 4 and Article 5, both of Chapter 26, Title 11, Guam Code Annotated, relative to eliminating the liquid fuel tax. To estimate the fiscal impact of Bill No. 261-36, the Bureau utilized liquid fuel tax data from FY18 through FY21 provided by the Department of Revenue and Taxation (DRT) as well as data derived from the AS400 Financial System.

Based on the information from DRT, the estimated average annual revenue loss of the proposed elimination of the liquid fuel tax is approximately **\$9.6M**, while the revenue loss is estimated at **\$10.5M** based on information from the AS400 Financial System, see attached **Exhibit A**.

The liquid fuel taxes makeup a significant portion of the Guam Highway Fund (GHF). Should the proposed legislation become law, the Bureau estimates the GHF may experience annual reductions in overall revenue. There are several Government of Guam departments / programs that receive appropriations from the GHF, which will likely be impacted by such reduction. These include the Department of Administration's (DOA) GHF Audit & Public Streetlights, the Department of Public Works' (DPW) Operations, Village Streets and Road Repairs / Resurfacing, & Contracts for Road Maintenance, the Guam Police Department's Highway Patrol Division, and Operations for the Guam Regional Transit Authority and the Mayor's Council of Guam.

EXHIBIT A

TAXES AND GALLON INFORMATION RECEIVED FROM THE DEPARTMENT OF REVENUE & TAXATION

Liquid Fuel Tax	FY2021	FY2020	FY2019	FY2018	Average Annual Revenue	Bill No. 260-36 (LS) Estimated Average Annual Revenue Loss
Diesel Fuel Tax						
Revenue Collected @ \$0.14 / gallon ^{1/}	\$755,030	\$927,204	\$964,667	\$851,142	\$874,511	-\$874,511
Gasoline Tax						
Revenue Collected @ \$0.15 / gallon ^{1/}	\$4,780,247	\$5,137,361	\$5,972,888	\$5,475,077	\$5,341,393	-\$5,341,393
Others						
Revenue Collected @ \$0.15 / gallon ^{1/}	\$19	\$35	\$11	\$8,733	\$2,200	-\$2,200
Commercial Aviation						
Revenue Collected @ \$0.08 / gallon ^{1/}	\$2,516,691	\$3,579,116	\$4,280,400	\$3,502,652	\$3,469,715	-\$3,469,715
				Total:	\$9,687,818	-\$9,687,818

^{1/} Department of Revenue and Taxation

TAXES AND GALLON INFORMATION DERIVED FROM THE AS400 FINANCIAL SYSTEM

Liquid Fuel Tax	FY2021	FY2020	FY2019	FY2018	Average Annual Revenue	Bill No. 260-36 (LS) Estimated Average Annual Revenue Loss
Diesel Fuel Tax						
Revenue Collected @ \$0.14 / gallon ^{1/}	\$1,019,541	\$1,076,910	\$1,115,231	\$978,177	\$1,047,465	-\$1,047,465
Gasoline Tax						
Revenue Collected @ \$0.15 / gallon ^{1/}	\$5,149,270	\$5,762,281	\$6,928,999	\$6,347,112	\$6,046,916	-\$6,046,916
Others						
Revenue Collected @ \$0.15 / gallon ^{1/}	\$24	\$44	\$14	\$8,737	\$2,205	-\$2,205
Commercial Aviation						
Revenue Collected @ \$0.08 / gallon ^{1/}	\$2,599,522	\$3,601,065	\$4,280,400	\$3,502,652	\$3,495,910	-\$3,495,910
				Total:	\$10,592,495	-\$10,592,495

^{1/} Obtained from the AS400 Financial System