

I Mina'trentai Singko 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
166-35 (COR)	Joe S. San Agustin	AN ACT TO AMEND § 28105 OF CHAPTER 28, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO TAXING PROPERTY ARRIVING INTO GUAM VIA THE UNITED STATES POSTAL SERVICE.	6/17/19 9:44 a.m.					Request: 7/18/19 10/14/19	

Senator Régine Biscoe Lee,
Chair

Senator Amanda L. Shelton,
Vice Chair

Speaker Tina Rose Muña Barnes,
Member

Vice Speaker Telen Cruz Nelson,
Member

Senator Kelly Marsh (Taitano), PhD,
Member

Senator Sabina Flores Perez,
Member



COMMITTEE ON RULES
I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
35TH GUAM LEGISLATURE

October 14, 2019

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Member

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Member

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Member

Senator Mary Camacho Torres,
Member and Chair, Subcommittee on Protocol

MEMO

To: Rennae Meno
Clerk of the Legislature

From: Senator Régine Biscoe Lee
Chair, Committee on Rules

Re: Fiscal Notes

Buenas yan Håfa adai.

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

Bill No. 166-35 (COR)
Bill No. 201-35 (COR)
Bill No. 209-35 (COR)

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

For 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. 166-35 (COR)**

AN ACT TO AMEND § 28105 OF CHAPTER 28, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO TAXING PROPERTY ARRIVING INTO GUAM VIA THE UNITED STATES POSTAL SERVICE.

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Revenue and Taxation	Dept./Agency Head: Dafne M. Shimizu, Director
Department's General Fund (GF) appropriation(s) to date:	\$8,435,879
Department's Other Fund appropriation(s) to date: Banking and Insurance Enforcement Fund, Better Public Service Fund, and Tax Collection Enhancement Fund	\$3,014,354
Total Department/Agency Appropriation(s) to date:	\$11,450,233

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund)	Total:
FY 2018 Unreserved Fund Balance		\$0	\$0
FY 2019 Adopted Revenues for Operations	\$0	\$0	\$0
FY 2019 Appro. (P.L. 34-116 thru _____)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill

Fund	One Full Fiscal Year	Remainder of FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
General Fund 1/	\$0	\$0	\$0	\$0	\$0	\$0
Other Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total 1/	\$0	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? /X/ Yes // No
If Yes, see attachment(s)
- 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
- 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: <u>Tammy Amador, BMA II</u>	Date: <u>9/27/19</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <u>OCT 07 2019</u>
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Footnotes / Notes:

1/ See attached comments.

Bureau of Budget & Management Research
Attachment to Fiscal Note of Bill No. 166-35 (COR)
(for revenue generating provisions)

Projected Multi-Year Revenues					
	Year 1 (FY2019)	Year 2 (FY2020)	Year 3 (FY2021)	Year 4 (FY2022)	Year 5 (FY2023)
General Fund	\$0	\$15,920	\$15,920	\$15,920	\$15,920
Other Fund	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$15,920	\$15,920	\$15,920	\$15,920

Comments:

See attached comments and Table I.

COMMENTS ON BILL NO. 166-35 (COR)

An act to amend § 28105 of Chapter 28, Title 11, Guam Code Annotated, relative to taxing property arriving into Guam via the United States Postal Service (USPS).

The Department of Revenue and Taxation (DRT) provided a response stating that due to the lack of an established system to distinguish personal USPS parcels currently, there is no specific data available relative to the valuation of such parcels. Therefore, DRT is unable to definitively measure the fiscal impact of proposed legislation on Guam's economy. However, DRT does express that there will be realized additional revenue to the Use Tax collection by the Guam Customs and Quarantine Agency (CQA) on personal properties imported into Guam should Bill No. 166-35 (COR) become law.

Guam's CQA also provided feedback in response to anticipated fiscal impact of the proposed legislation and affirms that the inability to track non-business parcels inbound to Guam would require the implement of an information technology platform. According to CQA, this information technology platform would track personal USPS packages as well as process exemptions and payments. The Agency also expresses that although CQA has been assessing the Use Tax for many years, none of the Tax has been allocated to CQA. Alternatively, collections have been allocated to the Department of Public Works and the Guam Environmental Protection Agency.

BBMR provides the rudimentary estimates herein which are based, in part, on population percentages and statistical data from the USPS 2015 Annual Report to Congress (refer to Table I.).

Utilizing Table I as a basis for calculations of anticipated fiscal impact, total number of USPS parcels was derived from the average of listed receipts/deliveries in Table I. Therefore, if qualified parcels are a fraction of the average total parcels of 2,074 – which should also account to exclude for Standard Post parcels which are considered retail-only – than to assume half (50%) of the Priority Mail packages are retail-only, this would reduce the average number to 1,594 (i.e. 2,074 – 480). Furthermore, to estimate that even a fourth (25%) of those parcels were eligible to be taxed, the anticipated fiscal impact may be measured at a collection of \$15,920/annum (i.e. 398 qualifying parcels @ \$1,000ea x 4% Use Tax).

TABLE I.

Name	Common population, 04/01/2010	Percent (%) of Population to Overall Total Population (215,847,848)	USPS Mail Parcels (2015) 1/	Est. Delivered USPS Parcel Mail to Guam based on Pop. Percentages (2015)	USPS Mail Parcels (2014) 1/	Est. Delivered USPS Parcel Mail to Guam based on Pop. Percentages (2014)	USPS Mail Parcels (2013) 1/	Est. Delivered USPS Parcel Mail to Guam based on Pop. Percentages (2013)
Alabama	4,770,738	1.53%	4,530,000	69,210	3,969,000	60,639	3,715,000	56,758
Alaska	710,231	0.23%	4,530,000	10,284	3,969,000	9,010	3,715,000	8,434
American Samoa	65,818	0.02%	4,530,000	804	3,969,000	704	3,715,000	659
Arizona	6,302,017	2.04%	4,530,000	92,556	3,969,000	81,094	3,715,000	75,904
Arkansas	2,616,918	0.93%	4,530,000	42,222	3,969,000	36,993	3,715,000	34,626
California	37,254,823	11.91%	4,530,000	539,442	3,969,000	472,637	3,715,000	442,390
Colorado	6,020,190	1.61%	4,530,000	72,822	3,969,000	63,804	3,715,000	59,721
Connecticut	3,574,097	1.14%	4,530,000	51,753	3,969,000	45,344	3,715,000	42,442
Delaware	807,834	0.29%	4,530,000	13,002	3,969,000	11,392	3,715,000	10,663
District of Columbia	601,723	0.19%	4,530,000	8,713	3,969,000	7,634	3,715,000	7,145
Florida	18,801,310	6.01%	4,530,000	272,241	3,969,000	238,527	3,715,000	223,262
Georgia	9,687,953	3.10%	4,530,000	140,276	3,969,000	122,904	3,715,000	115,039
Guam	159,358	0.05%	4,530,000	2,307	3,969,000	2,022	3,715,000	1,892
Hawaii	1,300,301	0.43%	4,530,000	19,697	3,969,000	17,258	3,715,000	16,153
Idaho	1,607,662	0.50%	4,530,000	22,698	3,969,000	19,887	3,715,000	18,615
Illinois	12,830,032	4.10%	4,530,000	185,787	3,969,000	162,779	3,715,000	152,361
Indiana	6,483,802	2.07%	4,530,000	93,885	3,969,000	82,258	3,715,000	76,994
Iowa	3,046,359	0.97%	4,530,000	44,111	3,969,000	38,648	3,715,000	36,175
Kansas	2,853,118	0.91%	4,530,000	41,313	3,969,000	36,197	3,715,000	33,880
Kentucky	4,330,387	1.39%	4,530,000	62,834	3,969,000	55,052	3,715,000	51,529
Louisiana	4,633,378	1.45%	4,530,000	65,643	3,969,000	57,514	3,715,000	53,833
Maine	1,328,301	0.42%	4,530,000	19,235	3,969,000	16,853	3,715,000	15,774
Maryland	5,773,562	1.85%	4,530,000	83,601	3,969,000	73,247	3,715,000	68,560
Massachusetts	6,947,828	2.09%	4,530,000	94,809	3,969,000	83,068	3,715,000	77,752
Michigan	9,883,040	3.16%	4,530,000	143,114	3,969,000	125,391	3,715,000	117,366
Minnesota	5,300,826	1.70%	4,530,000	76,800	3,969,000	67,289	3,715,000	62,983
Mississippi	2,967,297	0.95%	4,530,000	42,966	3,969,000	37,645	3,715,000	35,236
Missouri	5,988,807	1.91%	4,530,000	86,719	3,969,000	75,980	3,715,000	71,117
Montana	980,418	0.32%	4,530,000	14,327	3,969,000	12,552	3,715,000	11,749
Nebraska	1,828,341	0.58%	4,530,000	26,445	3,969,000	23,170	3,715,000	21,687
Nevada	2,700,531	0.86%	4,530,000	39,104	3,969,000	34,261	3,715,000	32,069
New Hampshire	1,316,470	0.42%	4,530,000	19,062	3,969,000	16,702	3,715,000	15,633
New Jersey	8,791,884	2.81%	4,530,000	127,306	3,969,000	111,540	3,715,000	104,402
New Mexico	2,050,179	0.66%	4,530,000	29,817	3,969,000	26,124	3,715,000	24,452
New York	19,378,102	6.19%	4,530,000	280,593	3,969,000	245,844	3,715,000	230,111
North Carolina	8,635,483	3.05%	4,530,000	138,073	3,969,000	120,974	3,715,000	113,232
North Dakota	672,591	0.21%	4,530,000	9,739	3,969,000	8,533	3,715,000	7,987
Northern Mariana Islands	53,883	0.02%	4,530,000	780	3,969,000	684	3,715,000	640
Ohio	11,530,904	3.69%	4,530,000	167,048	3,969,000	146,360	3,715,000	136,994
Oklahoma	3,781,331	1.20%	4,530,000	54,319	3,969,000	47,592	3,715,000	44,547
Oregon	3,891,074	1.22%	4,530,000	55,474	3,969,000	48,604	3,715,000	45,493
Pennsylvania	12,702,370	4.06%	4,530,000	183,929	3,969,000	161,151	3,715,000	150,838
Puerto Rico	3,728,780	1.19%	4,530,000	53,949	3,969,000	47,268	3,715,000	44,243
Rhode Island	1,052,507	0.34%	4,530,000	15,241	3,969,000	13,354	3,715,000	12,499
South Carolina	4,625,304	1.48%	4,530,000	66,975	3,969,000	58,681	3,715,000	54,925
South Dakota	814,180	0.26%	4,530,000	11,789	3,969,000	10,329	3,715,000	9,668
Tennessee	6,340,197	2.03%	4,530,000	91,891	3,969,000	80,511	3,715,000	75,359
Texas	25,143,961	8.04%	4,530,000	364,106	3,969,000	319,014	3,715,000	298,599
U.S. Virgin Islands	100,400	0.03%	4,530,000	1,541	3,969,000	1,350	3,715,000	1,264
Utah	2,703,888	0.88%	4,530,000	40,021	3,969,000	35,065	3,715,000	32,811
Vermont	625,741	0.20%	4,530,000	9,061	3,969,000	7,939	3,715,000	7,431
Virginia	8,001,024	2.56%	4,530,000	115,854	3,969,000	101,507	3,715,000	95,011
Washington	6,724,840	2.15%	4,530,000	97,371	3,969,000	85,312	3,715,000	79,853
West Virginia	1,852,804	0.59%	4,530,000	26,831	3,969,000	23,508	3,715,000	22,004
Wisconsin	5,880,988	1.82%	4,530,000	82,347	3,969,000	72,149	3,715,000	67,532
Wyoming	563,828	0.18%	4,530,000	8,161	3,969,000	7,151	3,715,000	6,693
Continous United States	300,073,800							
The fifty states	300,144,382							
Fifty states + District of Columbia	300,746,105							
Total U.S. (including District of Columbia and territories)	312,847,088							
Guam Only	150,398							

https://en.wikipedia.org/wiki/List_of_states_and_territories_of_the_United_States_by_population#cite_note-6

Footnotes:

1/ According to USPS data obtained from source, parcels are inclusive of Standard Post which is a retail-only product classified as Market-Dominant.