

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

Bill No. 342-82 (cop)

Introduced by:

Michael F.Q. San Nicolas 

AN ACT TO EXTEND THE DEADLINE FOR REAL PROPERTY TAX (RPT) EXEMPTIONS, AUTHORIZE THE USE OF THE TAXPAYER IDENTIFICATION NUMBER FOR RPT, AND REDUCE THE STATUTE OF LIMITATIONS ON THE COLLECTION OF RPT, BY ADDING A NEW §24109, AND BY AMENDING §§ 24204 AND 24112, EACH OF CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED.

2014 JUN 25 PM 1:33 ap

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Short Title. This Act shall be referred to as the
3 “Responsible Real Property Tax Payer Relief Act.”

4 Section 2. Legislative Findings and Intent. I Liheslaturan Guåhan
5 finds that the Department of Revenue and Taxation is currently working
6 toward completing the real property tax assessment, which will update the
7 tax valuation of real property on Guam.

8 I Liheslatura further finds that Guam’s Real Property Tax has tax
9 exemptions for senior citizens and citizens with disabilities and that once
10 these exemptions are claimed, the valuations of such properties are fixed

1 by law at the amount assessed in its first year of eligibility until such citizen
2 either passes away or no longer owns and resides in the property.

3 *I Liheslatura* thus finds that if such senior citizen or citizen with a
4 disability has not claimed such exemption, that single omission could
5 result in a permanently higher valuation of record, contrary to the intent of
6 the law.

7 *I Liheslatura* finds that, under 11 GCA §24114, the Department of
8 Revenue and Taxation is required to inform citizens who may qualify for
9 these exemptions and reduced tax rates of their eligibility and to provide
10 written public notice of these exemptions at least annually in a newspaper
11 and in the mayor's offices. Despite this requirement, many qualified
12 individuals may not have met the deadline of March 15, 2014, and thus
13 may not fully avail of the existing exemptions prior to updated property
14 valuations.

15 It is therefore the intent of *I Liheslaturan Guåhan* that senior citizens
16 and citizens with a disability who qualify for tax relief under 11 GCA §§
17 24110 and 24112, respectively, be provided with an extended deadline
18 before which such citizen may apply for tax relief and set the valuation of
19 their respective properties pursuant to 11 GCA §24113 at the valuations set
20 prior to the property revaluation.

21 *I Liheslaturan Guåhan* further finds that there are several other tax
22 exemptions in 11 GCA §§ 24401 and 24402, respectively, including the
23 farming and home exemption, which help to relieve farmers and home

1 owners of at least a portion of their Real Property Tax liability. The people
2 of Guam must be afforded a fair opportunity to avail of these exemptions
3 as well.

4 *I Liheslatura* finds that the Department of Revenue and Taxation
5 makes use of the Taxpayer Identification Number (TIN), which is assigned
6 to an individual by the Internal Revenue Service or the Social Security
7 Administration, for internal purposes to make collections more efficient.

8 *I Liheslatura* finds that there have been reports that individuals on
9 Guam have received tax refunds, yet found that the Department of
10 Revenue and Taxation claims that they owe the government of Guam for
11 the Real Property Tax. The individual taxpayer would be better served by
12 a system where the Department would be able to collect when there is
13 money available, in the form of a tax refund identified through a respective
14 property taxpayer's TIN. Furthermore, the use of the TIN would make it
15 easier to develop statistical reports that could compare the characteristics of
16 Real Property Tax taxpayers to Adjusted Gross Income or other statistical
17 information which can be retrieved through the use of the TIN.

18 It is therefore the intent of *I Liheslaturan Guåhan* that Real Property
19 Tax taxpayers be required to report their Taxpayer Identification Number
20 to the Department, for internal use.

21 *I Liheslatura* further finds that the thirty (30) year statute of limitations
22 of Guam's Real Property Tax may impose an undue burden on taxpayers
23 because it would be difficult for a taxpayer to prove that a tax had been

1 duly paid up to thirty (30) years prior. Further, if the tax record from up to
2 thirty (30) years ago is in error, and the taxpayer does not have records,
3 then it would be an injustice to make a taxpayer bear the burden of the
4 government's mistake. Such errors would be further exacerbated if TINs
5 are used to erroneously garnish refunds rightfully owed, against property
6 tax assessment mistakes. It is overly burdensome on the individual
7 taxpayer to expect that property tax records shall be maintained for thirty
8 (30) years.

9 Therefore, it is the intent of *I Liheslatura* to reduce the statute of
10 limitations on the Real Property Tax to ten (10) years, which is consistent
11 with other taxes administered by the Department of Revenue and Taxation,
12 pursuant to the Internal Revenue Code, so that any tax garnishment errors
13 resulting from the use of the Taxpayer Identification Number for the Real
14 Property Tax will be reduced.

15 **Section 3. Real Property Tax Exemption Filing Deadline Extension.**

16 Notwithstanding any other provision of law, rule, or regulation to the
17 contrary, residents of Guam who qualify for reduced tax rates pursuant to
18 11 GCA §§ 24110, 24112, 24401, and 24402 as of March 15, 2014, and who
19 have not already availed themselves of permanent exemptions, may file
20 with the assessor's office on or before the thirty-first (31st) day of December,
21 2014. Any application for reduced tax rates filed under this Section *shall* be
22 effective as though it were filed on or before the fifteenth of March, 2014,
23 with respect to *both* the rates of tax provided under 11 GCA §24110 or 11

1 GCA §24112, as applicable, *and* the fixed level of the valuation of the
2 applicant's residential property pursuant to 11 GCA §24113, for U.S.
3 citizens who qualify under 11 GCA §§24110 and 24112.

4 **Section 4. Failure to Supply Identifying Number.** § 24109, Article
5 1, Chapter 24, Title 11, Guam Code Annotated, is hereby *added*, to read:

6 **“§ 24109. Failure to Supply Identifying Number.**

7 Every person required to pay property taxes, *shall* provide his
8 taxpayer identification number to the Department. If any person fails
9 to comply with such requirement, such person *shall*, unless it is
10 shown that such failure is due to reasonable cause and not to willful
11 neglect, pay a penalty of one hundred dollars (\$100.00) for each
12 failure. The Department may make use of the taxpayer identification
13 number for internal purposes only, to include, but not be limited to
14 the assessment and collection of taxes.”

15 **Section 5. Removal of the Real Property Tax Lien.** § 24204 of
16 Article 2, Chapter 24, Title 11, Guam Code Annotated hereby *amended*, to
17 read:

18 **“§ 24204. Same: Removal.**

19 After ten (10) ~~thirty (30)~~ years succeeding the time, heretofore or
20 hereafter, when any tax becomes a lien, *if* the lien has not been
21 otherwise removed, *then* the lien ceases to exist and the tax *is*
22 conclusively presumed to have been paid. The tax collector *shall* mark
23 the tax paid in the records.”

1 **Section 6. Effect upon Enactment: Payments Made Prior to**
2 **Enactment for Liens Ten (10) Years or Older.** No payment made prior to
3 the date of enactment of this Act to the government of Guam *shall* be held
4 invalid due to the provisions of § 5 of this Act.

5 **Section 7. Severability.** *If* any provision of this Act or its application
6 to any person or circumstance is found to be invalid or contrary to law,
7 such invalidity *shall* not affect other provisions or applications of this Act
8 which *can* be given effect *without* the invalid provisions or application, and
9 to this end the provisions of this Act *are* severable.