



Office of the Speaker  
**TINA ROSE MUNA BARNES**  
I Mina'Trentai Singko Na Liheslaturan Guahan



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FOR IMMEDIATE RELEASE

**Muña Barnes and Terlaje: Create a Process to Improve Tobacco Tax Collections**

Hagatna, Guam – A measure was introduced today that would create a public private partnership to ensure all cigarettes sold on Guam have paid their tobacco taxes. The winning bidder would create a tax stamp program in a bonded facility and be responsible for the collection of all tobacco taxes.

Bill 368-35 was introduced by Speaker Tina Muña Barnes and Senator Jose Pedro Terlaje. The measure was written in response to the 2019 OPA audit in which the public auditor stated:

“Overall, we observed that DRT does not verify accuracy and completeness of tobacco tax filings. In this audit, the lack of verification stood out in several instances. DRT did not verify: (1) changes made by the wholesalers on the inventory count sheet, (2) actual deliveries of tobacco products outside of Guam, (3) actual sale of tobacco products to any U.S. Military or Guam Airport concessionaires, and (4) amended tax filings by Wholesaler Z. DRT could easily check the accuracy and completeness, or at least the reasonableness, of tobacco tax filings because it has direct monitoring responsibilities over the tobacco stored in the bonded warehouse. Still, it relied on the voluntary compliance of the wholesalers. Guam may be collecting \$23.5 million in tobacco tax revenue per year, but is this all?”

“Improving tobacco tax collections is the goal of this legislation” stated Muña Barnes “This legislation will allow the Department of Revenue and Taxation to partner with a business to ensure all tobacco taxes are paid as required by law.”

By enacting this bill, no additional cost will be passed on to the consumers – consumers are already paying these taxes with their purchases – it will only enforce that taxes collected will go towards the Government of Guam. Tobacco taxes are deposited into the healthy futures fund – which funds the Guam Memorial Hospital, the Department of Public Health and Social Services, and public education

“Fairness and equity in legislation is always my goal” said Senator Pedro Terlaje “this measure creates a level playing field for all tobacco wholesalers, something that wasn’t achieved with self-reporting.”

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