

5200199005303

Put ad
5200199-16

UNITED STATES GOVERNMENT

Memorandum

UNCLASSIFIED

TO : Guatemala Desk Officer

DATE: October 3, 1969 4p

PD-AAA-916-D1

FROM : S. Morey Bell, Assistant Director, Econ. & Fin. Analysis *M*

SUBJECT: Monthly IRS Team Leader's Report for September 1969

In compliance with FTAS/IRS/Washington request, attached herewith is the monthly progress report for September 1969, prepared by the Tax Advisor, Mr. John C. Ramos, as part of the IMPACT reporting system.

Attachment

6-1B 72p

1001-03

UNCLASSIFIED

3501

AID/US

MEMORANDUM

October 2, 1969

TO: Mr. S. Morey Bell, Economic & Financial Analysis

FROM: John C. Ramos, Tax Advisor 

SUBJECT: Monthly Progress Report - September, 1969 (IMPACT F-4)

Highlights:

Effective September 1, Lic. Carlos Alarcón Monsanto was named Vice Minister of Finance. Lic. Alarcón was legal advisor to Minister of Finance prior to his appointment as Vice Minister.

Mr. Ernest J. Grayson has been named as the Collections Advisor requested last month. Mr. Grayson is expected to arrive in Guatemala on October 2, and will be here for approximately 60 days.

The Tax Administration Reform Commission accepted the recommendation made of creating two "collector" positions. Two persons will be recruited for beginning on November 1. The Commission also accepted the recommendation made with respect to increasing the wage structure of the legal collection section as incentive for better collection efforts. Two additional clerical positions recommended were also accepted by the Commission. Effect on the GOC budget of these recommendations is an increase of approximately Q7,000 annually. USAID/C will assist these collection efforts by providing a minimum of two motorcycles.

Another significant initiative by the Commission was the acceptance, in principle, of transferring the administration of the Timbres tax as related to sales from the Directorate General of Rentas (General Tax Office) to the Directorate General of Income Tax. To this effect, the Mission's tax advisor and the OAS/IDE advisor, Mr. Arturo Conlato, have been studying the existing administrative procedures of this tax and will then work with Income Tax personnel in designing a system for the receipt, processing, filing, auditing, etc., of the returns once the transfer is effective. Target date for the transfer is 1 January 1970.

On September 28 the filing period for the 1968-1969 fiscal year for the majority of Guatemalan taxpayers ended. Again this year

as last, the Income Tax office was able to handle the increased volume of returns with the least amount of inconvenience to taxpayers. Waiting lines were at a minimum.

The systems referred to in last month's report were continually monitored and continue to operate satisfactorily.

Other:

Collections of ordinary and consigned revenues for the month of August are shown on Schedule (A) attached. Tax revenue continues to reflect an increase over the same period one year ago; i.e. 8.9%.

The Mission's tax advisor utilized a good portion of the month working with the real property cadastral project personnel. Progress Report #6 from J. L. Jacobs was reviewed and the problems stated were discussed with IGN personnel and with the Appraisal Section. Ing. Gallont returned from vacation on September 15 and it was agreed that he would call for a joint meeting of IGN and Rentas in an attempt to reconcile the problems with respect to number of maps that Rentas needs to maintain a steady workflow, and the number of maps that IGN can produce. The suggestion was made that perhaps Mr. Lucas and Mr. Rosholt could come to Guatemala for a week or ten days in late November or early December. Mr. Lucas is a property tax advisor with FTAS presently assigned in Nicaragua. Mr. Rosholt is an IAGS advisor, presently assigned in Panama.

Problems:

Decision for the creation of another court within the "Económico-Co-Activo" to deal exclusively with tax matters was postponed. The Vice Minister is of the opinion that perhaps an increase in clerical personnel of the existing two courts would enable these courts to conclude more cases. He has asked for a statistical report from the President of the Tribunal de Cuentas reflecting number of cases pending, how many are for taxes, social security claims, and other types of cases.

ECON:JCRamos:na
Attachment

GUATEMALA

Status of Ordinary and Consigned Revenues August 31, 1969

	Collections (Thousands)			Budget	'69 Coll vs
	1/1-8/31/68	1/1-8/31/69	'69 vs '68	1/1-8/31/69	'69 Budget
	Over (Under)			Over (Under)	

ORDINARY REVENUES

Taxes:

Income	Q 9,213.6	Q 10,253.4	Q 1,039.8		
Realty & Transfer	3,621.6	3,420.3	(201.3)		
Import	16,293.4	18,498.0	2,204.6		
Export	3,777.0	4,078.5	301.5		
Consumers: Products	18,105.3	20,843.5	2,738.2		
Services	2,321.5	2,586.4	264.9		
Commercial Activities:					
Revenue Stamps &					
Paper	21,519.5	21,913.4	393.9		
Other	1,214.2	1,210.4	(3.8)		
Total Taxes	Q 76,066.1	Q 82,503.9	Q 6,737.8		

Other:

Rents, Public Services, Lottery, etc.	Q 5,670.4	Q 5,547.4	Q (123.0)		
Income from Ministries	-	1,287.7	1,287.7		
Total Ordinary Revenues	Q 81,736.5	Q 89,639.0	Q 7,902.5	Q 93,968.5	Q (4,329.5) (66.06%)

CONSIGNED REVENUES

Taxes:

Decree 132 - Airport (Landings, etc.)	Q 248.2	Q 248.0	Q (.2)		
Decree 435 - Liquor & Cigarettes	394.3	402.9	8.6		
Decree 934 - Liquor	743.7	806.0	62.3		
Decree 1269 - 10% Customs Receipts	2,330.4	2,690.2	359.8		
Total Consigned Taxes	Q 3,716.6	Q 4,147.1	430.5		

Other:

Coffee Diversification Fund	Q -	Q 742.7	Q 742.7		
Interest-Amortization Funds	99.4	125.9	26.5		
Decree 38 - Liquor Bottle Caps	12.2	-	(12.2)		
Telephone Receipts	1,688.9	1,834.2	145.3		
Retirement Deductions	1,474.2	1,598.9	124.7		
Total Consigned "Other"	Q 3,274.7	Q 4,301.7	Q 1,027.0		
Total Consigned Revenues	Q 6,991.3	Q 8,448.8	Q 1,457.5	Q 7,777.2	Q 671.6 (65.19%)

Grand Total -

Ordinary & Consigned	Q 88,727.8	Q 98,087.8	Q 9,360.0	Q 101,745.7	Q 3,657.9
----------------------	------------	------------	-----------	-------------	-----------