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DEVELOPMENT PLANNING AND INVESTMENT (TAX)

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Monthly Project Report for the Month of January, 1970.

A. SIGNIFICANT CHANGES AND EVENTS:

1. Progress continues in the implementation of control procedures for property tax matriculas valued at Q10,000 and over. Inspección de Hacienda has a four-man team in the Directorate of Rentas to investigate the substantial discrepancies that are coming to light in view of the more effective controls that are being established. The Ministry of Finance has contracted eight clerks to work under the supervision of the Inspectors. Presently these clerks are making math verifications of the balance due on delinquent property taxes and will also verify changes to capital and credits for payments.
2. Income Tax Collectors contracted in January were not able to commence their collection activities due to the non-acceptance by the Controller's office of the temporary receipt designed by the Income Tax Directorate. Once the format of the receipts were agreed upon, printing of the receipts was contracted. The printed receipts were received on January 27. It is anticipated that the collectors will begin collections activities in February.
3. Mr. George Stickney, former Deputy Assistant Secretary of the Treasury for Fiscal Affairs, was in Guatemala January 18-23 for the purpose of discussing with interested GGG officials their concept of centralized data processing within the Ministry of Hacienda. Mr. Stickney met with the following officials: Budget Director, Accountant General, Secretary General of National Planning Council, and with advisors of other international organizations such as SIECA and ICAP.

- GOG officials are working*
4. As part of the General Administration portion of the report on tax administration being prepared by the National Planning Council, Dr. Alvaro Londoño of SIRCA, and Dr. Arodys Robles of ICAP, together with Dr. José Monsanto of INAD, are working on a study for the complete reorganization of the Ministry of Finance. The Minister and other GOG officials are in agreement with the study being undertaken. Though the Mission's Tax Advisor is not a member of this particular work group, he has been asked to comment and to give opinion on specific areas of the proposed reorganization; e.g., should there be a Director over both tax administration and customs administration; where in the organizational chart should centralized data processing be located; at what level should the GGM division be placed, etc.
  5. The Accountant General's office has not yet been able to complete its report for December, 1969 revenue receipts, and for this reason 1969 statistics of revenue will be submitted with next month's report.
  6. As commented upon in last month's report under "Decisions Required", the Ministry of Finance agreed to and in fact did send a representative to the CIAT-sponsored seminar on electronic data processing held in Bogota. The representative sent is the Chief, Data Processing Section of the Income Tax Directorate.

B. ACTIONS PLANNED:

1. Continued assistance in the implementation of procedures for property tax matriculas, and in getting Income Tax collectors started in their collections activities.
2. Preparation of final draft of report covering direct taxes for National Planning Council. Due to other activities this report could not be prepared in January.

3. For the reason that elections are scheduled for March 1, it is anticipated that tax administration improvements will be especially low keyed during February.

C. DECISIONS REQUIRED:

None

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