

Internal Revenue Service

IRS/FTAS Tax Team in Guyana

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Proj No: 504-11-750-053

PD-AAF-362-EJ

December 1970

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Georgetown, Guyana.

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Major Developments

A new Minister of Finance has been designated by the GOG. He is Desmond Hoyte, formerly Minister of Home Affairs (Interior). Dr. Ptolemy Reid, former Minister of Finance, has been named as the new Minister of Agriculture. Dr. Reid retains his dual position as Deputy Prime Minister.

The talks on the GOG proposed take over of the majority interest of the bauxite mines continued through the month of December and are continuing in January. Since Commissioner Devonish is a member of the Government committee, most of his time during the month was devoted in this area and the new tax reforms.

Other Developments

An organizational chart was prepared along functional lines and discussed with the Commissioner. See Attachment 1. The Commissioner who is very much concerned about security in the File Room felt that the taxpayers registry and file room should be a separate division and controlled by a strong supervisor. The chart was revised to conform to his wishes. See Attachment 2. Although he is in general agreement with the chart, it has not been discussed with the staff. Functional statements have been prepared for all operating units.

The file room has thousands of assessment notices which have been returned as undeliverable. No action is being taken to secure new addresses or try various means of locating the taxpayers. The taxes represented by these undelivered notices are a substantial amount. See Attachment 3 as an example. A procedure was developed to resolve this problem and submitted to the Commissioner. He has not acted on the recommendation as yet.

In the prior monthly report, I stated I had submitted various drafts for changing the income tax return to conform with the new self assessment procedure. The suggestions made have only been accepted in part since the Commissioner and his Legal Advisor feel the changes were too drastic. However, the return for the Calendar Year 1971 will incorporate most of the recommendations made.

There is no effective control over employers who deduct withholding taxes (PAYE). Some employers including some of the Government agencies have not paid these employee deducted taxes for varying periods up to several years. I plan to develop a procedure to correct this situation in this month.

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Problems

There were at the beginning of December, 46,000 delinquent accounts for the year 1967 and prior years for which taxpayers had not been billed. It is expected that these accounts will be "computerized" within three months and billings made to the delinquent taxpayers.

The file room as mentioned above constitutes a major problem. Returns and documents are missing from the files. Unauthorized personnel have had access to the file room. The file room supervisor was transferred (and promoted). I have spoken to the new supervisor and have suggested various security measures to be adopted to guard against loss of documents.