

GOVERNMENT OF GUAM  
OFFICE OF THE GOVERNOR  
AGANA, GUAM

EXECUTIVE ORDER NO. 76-29

PROMULGATION OF THE TAX PREPARERS ACT  
RULES AND REGULATIONS

WHEREAS, the Internal Revenue Code is a very complicated law; and

WHEREAS, the preparation of tax returns, in compliance with the numerous provisions of said Internal Revenue Code, is a very difficult and tedious process; and

WHEREAS, almost every citizen in this Territory will eventually file many tax returns; and

WHEREAS, many citizens, regardless of the educational level attained, find it very hard to comprehend all the provisions of the Revenue Code; and

WHEREAS, this inability to comprehend prevents many from properly complying with the Code; and

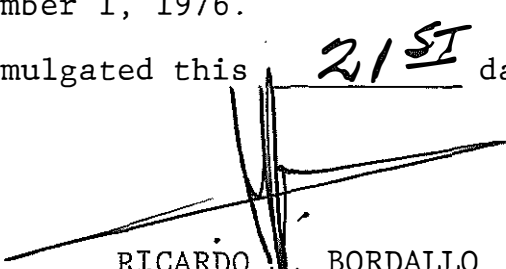
WHEREAS, this inability to comply can cost the taxpayer and the Government much money; and

WHEREAS, the Department of Revenue and Taxation has, on the 12th of July, 1976, held a Public Hearing in accordance with the law on the promulgation of the Tax Preparers Act Rules and Regulations as authorized under Public Law 13-92; and

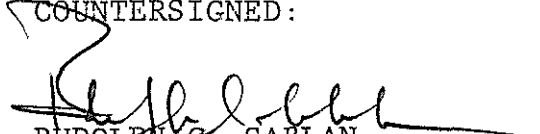
WHEREAS, I have examined the Rules and Regulations and find them acceptable:

NOW, THEREFORE, I, RICARDO J. BORDALLO, Governor of Guam, by virtue of the authority given me by Public Law 13-92, do hereby promulgate the attached Rules and Regulations, which shall be effective September 1, 1976.

Signed and promulgated this 21<sup>ST</sup> day of SEPT.,  
1976.

  
RICARDO J. BORDALLO  
Governor of Guam

COUNTERSIGNED:

  
RUDOLPH G. SABLAN  
Lieutenant Governor

TAX PREPARERS ACT

DEPARTMENT OF REVENUE AND TAXATION

BOARD OF TAX EXAMINERS

RULES AND REGULATIONS

AUTHORITY:

SECTION 53643 TAX PREPARERS ACT

PURPOSE:

TO IMPLEMENT, INTERPRET OR MAKE  
SPECIFIC CERTAIN PROVISIONS OF  
THE TAX PREPARERS ACT.



P. L. CHARLES  
DEPUTY COMMISSIONER

SEP 2 1976  
DATE

APPROVED:



M. A. CHACO  
DIRECTOR

SEP 03 1976  
DATE

REGULATIONS

Administered by Office of the Director of Revenue and Taxation.

Regulation No. 1

EXEMPTION AS PROVIDED IN THIS CHAPTER

Section 1. The purpose of this regulation is to implement Section 53642 of the Tax Preparers Act which provides as follow:

"53642". Exemptions. The following persons are exempt from the requirements of this chapter:

"(a)". Any person regulated by the Board of Public Accountancy.

"(b)". Any person who is a member of the Guam Bar Association.

"(c)". Any trust company or trust business.

"(d)". Any person who is authorized to practice before the Internal Revenue Service pursuant to sub-part A commencing with Section 10.1 of Part 10 of Title 31 of the Code of Federal Regulations".

Section 2. A person not otherwise exempted, shall not prepare or advise or assist in the preparation of any tax returns for another and for valuable consideration or represent that he is so engaged unless he is registered as a Tax Preparer under Tax Preparers Act Sections 53644 to 53656.

Section 3. A person may prepare or advise or assist in the preparation of tax returns only under the supervision of a registered Tax Preparer, or a person described in Subsections (a) to (d) of Section 53642 of the Tax Preparers Act, and subject to such conditions and limitations as the Director by rule may impose.

REGULATION NO. 2

APPLICATION FOR EXAMINATION

- Section 1. The purpose of this regulation is to prescribe rules pertaining to examination of persons desiring to register as Tax Preparers.
- Section 2. Every person not exempted under Section 53642 of the Tax Preparers Act and desiring to be registered as a Tax Preparer shall take an examination prepared and administered by the Board of Tax Examiners, Department of Revenue and Taxation. To qualify for registration, each person must receive a passing grade of at least 70%.
- Section 3. Every person desiring to take the examination as required under this title, shall call or otherwise contact the Board of Tax Examiners, Department of Revenue and Taxation, for an examination schedule; and giving his name and social security or employer identification (EI) number.
- Section 4. Examination schedules. Examination schedules shall be arranged by the Board of Tax Examiners as the need arises.
- Section 5. Date and time for examination. The arrangement of the date and time for the taking of an examination shall be determined by the Board of Examiners as it deems appropriate. An application for examination form shall be completed by each candidate at time of examination. If the applicant is a corporation, firm, partnership, association, or joint venture, the applicant shall designate or appoint the member or officer who is to submit an application on its behalf. The officer or member so designated or appointed shall complete two application forms, one for the corporation and one for himself.

DEPARTMENT OF REVENUE & TAXATION  
GOVERNMENT OF GUAM

TAX PREPARERS ACT

§53644. Application for Examination and Registration.

STANDARD OPERATING PROCEDURE

(A) Application for Examination:

Application for examination shall be made by phone, personal appearance, or by mail, to the Board of Examiners. Every applicant shall give his name and social security number. A card index shall be kept of each applicant.

1. Examination schedule shall be arranged as the need arises.
2. Examination date and time: The arrangement for the examination shall be determined by the Board of Examiners as it deems appropriate.
3. "Application for Examination" sheet shall be filled out at time of examination. A folder file shall be kept of each candidate.
4. On completion of grading examination, the bottom portion of "Application for Examination" sheet shall be mailed, or otherwise give, to the named candidate as notice of the result of his examination. The following shall apply:

EXAMINATION - FAILED

Fill out and send to candidate only the bottom portion of "Application for Examination" sheet

EXAMINATION - PASSED

(1) Fill out and send to candidate the bottom portion of "Application for Examination" sheet together with:

(2) Form-001, "Application for Registration".

REGULATION NO. 3

INITIAL APPLICATION FOR REGISTRATION

- Section 1. The purpose of this regulation is to prescribe rules pertaining to application for registration by persons as Tax Preparers.
- Section 2. The Board of Tax Examiners shall issue application for registration form to each person who completed an examination with a passing grade of at least 70%. A Registration form shall not be issued to any corporation, firm, partnership, association, or joint venture, unless the member or officer designated or appointed to apply for examination on its behalf satisfactorily passes the examination.
- Section 3. The form shall be completed so as to reflect all information called for in the form.  
Incomplete form will be returned without action.
- Section 4. Each application form shall be accompanied by fees and cash or surety bond as provided in Section 53652 and 53656 of the Tax Preparers Act.

REGULATION NO. 5

DEFINITION OF EMPLOYEE, REPRESENTATIVE, PARTNER,  
AGENT, OFFICER OR MEMBER OF A "REGISTERED TAX  
PREPARER'S" OFFICE.

- Section 1. The purpose of this regulation is to define employee, representative, partner, agent, officer or member of a "registered tax preparer's" office with respect to Section 53641 (a) of the Tax Preparers Act. The aforesaid subsection (a) of Section 53641 reads as follows:
- "Section 53641. Definitions as used in this chapter: (a) "Tax Preparer" means a person, who for a fee assists with or prepares tax return for others, but does not mean an employee, representative, partner, agent, officer or member of a "registered tax preparer's office".
- Section 2. "Employee" means a person who renders service to a tax preparer, who can control the person rendering such services as to the manner and means of accomplishing tasks assigned such person, and for which services the Tax Preparer accepts responsibility for all debts, tortious acts, and violations of Section 53647 of the Tax Preparer Act, the person incurs or commits within the scope of his employment.
- Section 3. "Representative" means a person having the consent of a Tax Preparer, express or implied, to exercise discretion on behalf of a Tax Preparer, including affecting the legal rights and liabilities of the Tax Preparer, but who is subject to the right of control and direction of the Tax Preparer.

Section 4. "Partner" means a person, natural or created by law, who associates himself with one or more persons to carry on as co-owners a tax preparation business.

Section 5. "Agent" means one in a consensual judiciary relationship who is empowered to act with discretion on behalf of his principal, a Tax Preparer, who is capable of affecting the rights and liabilities of the Tax Preparer with third parties, but who is susceptible to the Tax Preparer's control.

Section 6. "Officer or member" means one belonging to a tax preparation organization whose affiliation with the organization is subject to the right of discretion and control of the organization, and which organization accepts responsibility for the liabilities of its officers or members.



REGULATION NO. 6

Section 1. FEES. Pursuant to Section 53656 of the Tax Preparer's Act, registration fees are established as follows:

(a) Initial Registration: The initial tax preparer registration fee shall be \$50.00.

(b) Registration of additional locations. If a Tax Preparer maintains more than one tax preparer location within Guam, he shall pay an additional fee of \$50.00 for the principal location and an additional fee of \$10.00 for each additional location.

(c) Fees Required to be paid by Tax Preparers who have employees, representatives, partners, agents, officers, or members who are exempt from registration as a Tax Preparer. If a Tax Preparer has employees, representatives, partners, agents, officers, or members who would be subject to registration but for the exemption provided in Section 53641.(a) of the Tax Preparer's Act, the Tax Preparer shall pay an additional fee as follows:

(1) Less than 50 such persons, \$100.00.

(2) 50 or more but less than 100 such persons, \$500.00.

(3) 100 or more but less than 500 such persons, \$1,000.00.

(4) 500 or more of such persons, \$1,500.00.

(d) Maximum fees. The fee provided for above shall be cumulative except that no Tax Preparer shall be required to pay more than \$1,500.00 as a registration fee.

(e) Renewal registration before expiration.

The annual renewal fees for a Tax Preparer shall be the total of the fees provided by subsections

(a), (b), (c), and (d) of this section if the registration is renewed prior to its expiration.

(f) Renewal Registration after expiration. The annual renewal fee for a Tax Preparer shall be the total of the fees provided by subsection (a), (b), (c), and (d) of this section, plus 50% of the total thereof.

REGULATION NO. 7

ISSUANCE OF CERTIFICATE TOGETHER WITH AN  
IDENTIFICATION CARD TO QUALIFIED TAX PREPARER

- Section 1. The Board of Tax Examiners shall issue a certificate and an identification card as a Tax Preparer to each applicant who:
- (a) Demonstrates to the satisfaction of the Board of Tax Examiners fitness as a Tax Preparer; and
  - (b) Pays to the Board of Tax Examiners the required fees as provided in Section 53656, and cash or surety bond as provided in Section 53652 of the Tax Preparers Act and the regulations thereunder.
- Section 2. Certificate to be displayed. Each Tax Preparer shall display the certificate in each tax preparer location as proof of a valid registration issued under the Tax Preparers Act.
- Section 3. Number of certificate to be issued - more than one tax preparer location. Where registration is for more than one Tax Preparer location, the Board of Tax Examiners shall issue one certificate to the principal location, plus one certificate to each additional location.

DEPARTMENT OF  
Revenue & Taxation

TAX PREPARERS ACT  
P. O. Box 2796  
Agana, Guam 96910  
Telephone: 472-6593



## APPLICATION FOR REGISTRATION

Please Read Enclosed Instructions

Registration Fee \$50  
Principal Location Fee \$ 50 (See Instructions)  
Additional Location Fee \$10  
Employee Fee (1-49) \$100  
                                  (50-99) \$500  
                                  (100-499) \$1,000  
                                  (500+) \$1,500

Office Use	
Receipt No.	
FEE:	BOND:
Registration No.	
Date Issued	

If total exceeds \$1,500, pay only \$1,500.

Attach a money order, certified, cashier's or personal check payable to Treasurer of Guam. DO NOT send cash. Registration fee, principal location fee, additional location fee, employee fee, and a \$1000.00 bond must accompany application.

Type of Application:			
<input type="checkbox"/> INDIVIDUAL		<input type="checkbox"/> PARTNERSHIP	
<input type="checkbox"/> CORPORATION			
Total Fee Enclosed \$	Number of Employees	Number of Additional Locations	
Full Name of Registrant (Individual, Partnership, or Corporation):			Birth Date
			SS# or EI
Fictitious Business Name:			Phone No.
Principal Business Address:		City	State
			Zip Code
LIST OWNERS, PARTNERS, OR OFFICERS			
Name:		Title or Position	
Residence Address:		Birth Date	SS#
Name:		Title or Position	
Residence Address:		Birth Date	SS#
Name:		Title or Position	
Residence Address:		Birth Date	SS#
Name:		Title or Position	
Residence Address:		Birth Date	SS#

Form-001  
(11/14/75)

CONTINUED ON REVERSE SIDE

ADDITIONAL LOCATIONS

Responsible Managing Employee:		Birth Date	SS#
Business Address:	City	State	Zip Code
Responsible Managing Employee:		Birth Date	SS#
Business Address:	City	State	Zip Code
Responsible Managing Employee:		Birth Date	SS#
Business Address:	City	State	Zip Code
Responsible Managing Employee:		Birth Date	SS#
Business Address:	City	State	Zip Code
Responsible Managing Employee:		Birth Date	SS#
Business Address:	City	State	Zip Code
Responsible Managing Employee:		Birth Date	SS#
Business Address:	City	State	Zip Code

Have you or any partner or officer ever been convicted of or are you now under indictment for forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, a crime of moral turpitude, or other criminal offense or offenses?

YES  NO

If so, explain:

I certify under penalty of perjury to the truth and accuracy of all statements and representations made in this application, including all statements attached hereto. Falsifying information on this application may result in denial of your registration.

Signature and Title  
(Must be signed by owner, partner, or officer)

Date

NOTE: Any change in the information shown on this application must be reported immediately, in writing, to the Tax Preparer Board, P. O. Box 2796, Agaña, Guam 96910.

TAX PREPARER'S ACT  
P. O. BOX 2796  
AGANA, GUAM 96910  
PHONE: 472-6593

INSTRUCTION FOR TAX PREPARERS

TAX PREPARERS ACT:

The tax preparers act provides for the registration, bonding and regulation by the Department of Revenue and Taxation of persons who, for a fee, assist with or prepare tax returns for others.

As of July 1, 1976, it is unlawful for any person not registered under the tax preparers act to be a tax preparer. Every registration shall cease to be valid on June 30 of each year unless the tax preparer has paid the renewal fee.

TAX RETURN:

"Tax Return" means any return, declaration, statement, refund claim or other document to be made or filed in connection with territorial or federal taxes or bank or corporation franchise taxes.

APPLICATION:

There is only one form for application. This form shall be used by an individual, firm, partnership, association, joint venture, or corporation to register as a tax preparer. Allow four to six weeks for application processing.

BOND:

A cash or surety bond in the penal sum of one thousand dollars (\$1,000) payable to the Treasurer of Guam must be deposited with this Department at the time of registration or registration renewal. Section 53652 provides that only cash or a surety bond is acceptable.

FEE:

The tax preparer registration fee is fifty dollars (\$50). If a tax preparer maintains more than one tax preparer location, an additional fee of fifty dollars (\$50) is assessed for the principal location plus ten dollars (\$10) for each additional location. (NOTE: Location fees are not applicable to tax preparers with one location, they will pay the registration fee and employee fees only). If a tax preparer has employees, representatives,

partners, agents, officers or members who would be subject to registration, but are exempt under Section 53641. (a), an additional fee will be assessed as follows:

(1-49 such persons) - \$100

(50-99 such persons) - \$500

(100-499 such persons) - \$1,000

(500 or more such persons) - \$1,500

The fees provided for above shall be cumulative except that no tax preparer shall pay more than one thousand five hundred dollars (\$1,500) as a registration fee.

SIGNATURE:

Signature on tax returns may be written or imprinted, must show name of the registered tax preparer, employer identification number (if no EI number then social security number), and a permanent address where tax preparer may be reached throughout the year.

ADVERTISING:

Section 53654 of the Act provides that a tax preparer may not make reference to such registration in any advertising medium.

REGULATION NO. 8

PROCEDURE FOR REFUND OF UNUSED CASH BOND  
UPON TERMINATION AS A TAX PREPARER

- Section 1. Cash bond in lieu of surety bond deposited pursuant to Section 53652 of the Tax Preparers Act. The purpose of this regulation is to prescribe rules of procedure pertaining to a claim for refund of unused cash bond by a registered person upon termination of tax preparation business.
- Section 2. Notice of termination as a Tax Preparer upon or prior to expiration of registration, necessary. Every person terminating its tax preparation business upon or prior to expiration of registration shall indicate its intention to the Board of Tax Examiners by a written notice, signed by the Tax Preparer or its authorized agent or representative, not later than 30 days before termination date. The notice shall include but not limited to the following information:
- (a) Tax Preparer's intention to terminate
  - (b) Reason for termination
  - (c) Expected date of termination
  - (d) Change of address upon termination where applicable
- Section 3. Termination Form Issued, when. A termination form, to be prescribe by the Board of Tax Examiners, shall be issued to the Tax Preparer by the Board of Tax Examiners upon receipt of the Tax Preparer's notice of intention to terminate tax preparation business.
- Section 4. Signature on Termination Form, by whom.
- (a) Individual Tax Preparer. Where the Tax Preparer is an individual



REGULATION NO. 4

RENEWAL OF REGISTRATION: RESTORATION OF LAPSED

REGISTRATION

- Section 1. On or before June 30 of each year, every registered Tax Preparer shall apply to the Board and pay the fee for a renewal of his registration.
- Section 2. Any registration that is not renewed on or before June 30 of any year shall lapse.
- Section 3. The Board may restore any lapsed registration of two years or less upon payment to it of late renewal fees; together with the required cash or surety bond as provided under Sections 53652 of the Tax Preparers Act.
- Section 4. Every person with lapsed registration of over two years shall be considered a new applicant for purposes of the Tax Preparers Act; and shall be governed by rules and regulations as it pertains to new applicants.
- Section 5. In determining the lapsed of time for purposes of the preceding Sections 3 and 4 of this regulation, a year shall commence to accrue midnight, June 30, of any year; midnight, June 30 of a given year to midnight, June 30 of the following year shall constitute one-year, and so on.

other than a firm, partnership, association, joint venture, or corporation, the signature on the termination form shall be the signature of the owner of the tax preparation business.

- (b) Firm, partnership, association, joint venture, or corporation Tax Preparer. Where the Tax Preparer is a firm, partnership, association, joint venture, or corporation, the signature on the termination form shall be the signature of a designated or appointed member or officer authorized to execute the termination form on behalf of the Tax Preparer.

Section 5. The Board of Tax Examiners to initiate necessary steps to cause refund of unused cash bond. The Board of Tax Examiners, upon receipt of a completed termination form issued under the preceding Section 3, shall initiate the necessary steps to cause a refund to be made of unused cash bond to the Tax Preparer. Nothing in this provision shall be construed as excusing a terminated Tax Preparer of liabilities under this title.

DEPARTMENT OF  
Revenue & Taxation

TAX PREPARERS Act  
P. O. Box 2796  
Agana, Guam 96910  
Telephone: 472-6593



RENEWAL APPLICATION FOR REGISTRATION

Please Read Enclosed Instructions

Registration Fee \$50  
Principal Location Fee \$ 50(See Instructions)  
Additional Location Fee \$10  
Employee/Partner/Officer Fee (1-49) \$100  
(50-99) \$500  
(100-499) \$1,000  
(500 +) \$1,500

If total exceeds \$1,500, pay only \$1,500.

Office Use	
Receipt No.	
FEE:	BOND:
Registration No.	
Date Issued	

Attach a money order, certified, cashier's or personal check payable to Treasurer of Guam. DO NOT send cash. Registration fee, principal location fee, additional location fee, employee fee, and a \$1,000.00 bond must accompany application.

Type of Application			
<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION			
Total Fee Enclosed	No. of Employees/Partners/Officers	No. of Add'l Locations	
Full Name of Registrant (Individual/Partnership/Corporation)		EI # or SS #	Birth Date
Fictitious Business Name		Area Code Phone No.	
Principal Business Address:	City	State	Zip Code
LIST OWNERS, PARTNERS, OR OFFICERS			
Name		Title or Position	
Residence Address		SS #	Birth Date
Name		Title or Position	
Residence Address		SS #	Birth Date
Name		Title or Position	
Residence Address		SS #	Birth Date
Name		Title or Position	
Residence Address		SS #	Birth Date

CONTINUED ON REVERSE SIDE

ADDITIONAL LOCATIONS

Responsible Managing Employee		Area Code & Phone No.	
Business Address	City	State	Zip Code
Responsible Managing Employee		Area Code & Phone No.	
Business Address	City	State	Zip Code
Responsible Managing Employee		Area Code & Phone No.	
Business Address	City	State	Zip Code
Responsible Managing Employee		Area Code & Phone No.	
Business Address	City	State	Zip Code
Responsible Managing Employee		Area Code & Phone No.	
Business Address	City	State	Zip Code

Have you or any partner or officer ever been convicted of or are you now under indictment for forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, a crime of moral turpitude, or other criminal offense or offenses?

YES
  NO

If so, explain:

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I certify under penalty of perjury to the truth and accuracy of all statements and representations made in this application, including all statements attached hereto. Falsifying information on this application may result in denial of your registration.

Signature and Title \_\_\_\_\_ Date \_\_\_\_\_  
 (Must be signed by owner, partner, or officer)

NOTE: Any change in the information shown on this application must be reported immediately, in writing, to the Tax Preparer Board, P. O. Box 2796, Agana, Guam 96910.

TERMINATION - TAX PREPARATION BUSINESS

Type of Registration			
<input type="checkbox"/> Individual	<input type="checkbox"/> Partnership	<input type="checkbox"/> Corporation	
Type of Bond Deposited: <input type="checkbox"/> Cash <input type="checkbox"/> Surety			
			Bond Receipt No.
Full Name of Registrant:		Birth Date	SS# Or EI
Fictitious Business Name:			Phone No.
Principal Business Address:	City	State	Zip Code

I am terminating my Tax Preparation business on: \_\_\_\_\_ Date

I request the refund of my unused cash bond deposited pursuant to Section 53652 of the Tax Preparers Act. The amount to be refunded is: \$ \_\_\_\_\_.

Signature of or for Tax Preparer

If signed by a designated or appointed member or officer of a firm, partnership, association, joint venture, or corporation,

I CERTIFY THAT I HAVE THE AUTHORITY TO EXECUTE THIS "TERMINATION-TAX PREPARATION BUSINESS" FORM ON BEHALF OF THE TAX PREPARER.

\_\_\_\_\_  
 SIGNATURE TITLE DATE

(DO NOT WRITE BELOW THIS LINE)

	<u>Date</u>	<u>Receipt No.</u>	<u>Amount</u>
1. Cash Bond Deposited:			
2. Less: _____			
_____			
_____			
3. Cash Bond To be Refunded			_____

\_\_\_\_\_  
 Computed By Date Approved By Date

DEPARTMENT OF REVENUE AND TAXATION  
GOVERNMENT OF GUAM

TAX PREPARERS ACT

APPLICATION FOR EXAMINATION

EXAM DATE \_\_\_\_\_

1. FULL NAME: \_\_\_\_\_  
(LAST) (FIRST) (MIDDLE)

2. MAILING ADDRESS: \_\_\_\_\_  
P.O. BOX or CITY STATE ZIP  
VILLAGE CODE

3. SOCIAL SECURITY NO. \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_

4. HAVE YOU PREVIOUSLY APPLIED TO THIS BOARD FOR EXAMINATION?

/ / Yes / / No

EXAMINATION RESULT

PASSED: \_\_\_\_\_% FAILED: \_\_\_\_\_%

-----  
(DO NOT WRITE BELOW THIS LINE)

NAME: \_\_\_\_\_

SOCIAL SECURITY NUMBER: \_\_\_\_\_

EXAMINATION RESULT

PASSED: \_\_\_\_\_% FAILED: \_\_\_\_\_%

1. PASSED:  
CONGRATULATIONS on your passing the examination. Enclosed is Form-001 "Application for Registration". The Form must be signed, and all questions answered. Incomplete form will be returned without action.

2. FAILED:  
To qualify for registration, you must receive a passing grade of at least 70%. Please call us for the next examination schedule.

Phone: 472-6593.