



**AGA Guam Chapter
General Membership
Meeting Minutes**
Wednesday, February 26, 2020 at
12:00pm.
Hilton Resort & Spa Koko Room

Debbie Ngata
President
Pilar Pangelinan
President-Elect
Frances Danieli, MBA, CB, CGFM
Immediate Past President
Shannon Bartonico, CFE
Treasurer
Fierce Catoc, CPA
Treasurer-Elect
Llewelyn Terlaje, CGFM, CGAP, CFE
Secretary

Attendance Count - Members:39; Non-members:25

- I. Meeting called to order at 12:13 PM by President Debbie Ngata.
- II. Approval of minutes – November 2019 – January 2020 minutes tabled
- III. Treasurer’s report – July 2019 through January 2020 reports tabled
- IV. Guest Speaker Presentation: “Tax Refresher and Update on Individual and Corporate Taxes” presented by Edmund Brobesong, EY Tax Manager.

Edmund E. Brobesong, MBA, CPA, is a Senior Manager from Ernst & Young LLP. He has worked in public accounting for almost 30 years in Guam and has broad experience in general tax matters with emphasis in international tax issues.

A synopsis of Mr. Brobesong’s presentation is as follows:

- Mirror System of Income Taxation – Starting point is the Mirror Code, which involve three principles:
 1. Substitution principle – Involves “one-way substitution” where you would substitute “United States” with “Guam”, which is provided by statute and under the Organic Act. A “two-way substitution” was developed by the courts and entails that in the Internal Revenue Code, if you see “United States” you would substitute with “Guam.”
 2. Equality Principle – The tax you pay to Guam is the same tax you would pay to the IRS.
 3. Manifest Incompatibility Principle – No court of appeals has ever applied it.
- Mr. Brobesong shared a case study with the membership and asked that if anyone understood the premise behind the case to email him.
- Tax Rates – Mr. Brobesong shared that tax tables and stated that the lowest tax rate is 10% and highest is 37%. After 2025, individual tax rates will revert back to the rates previously were the highest rate is 39.6%.
- Individual Filing Requirement – An individual is required to file a return who has gross income that equals or exceed the exemption amount. From 2018-2025 exemption is zero but threshold is standard deduction. An interesting note is that for married Individuals filing separately, gross income should not exceed \$5 to be exempted.
- Individual Taxpayers – A taxpayer is either a U.S Citizen, U.S. Resident, or Non-Resident Alien.
- Child Tax Credit- From 2018-2025 is \$2000 and up to \$1,400 is refundable. No credit is granted unless and SSN is reported on the tax return. The credit is to be phased out.
- Personal Casualty & Theft Losses – theft loss is defined within personal casualty loss. These can only be claimed under a Federally declared disaster.
- Employee Business Expenses – Miscellaneous itemized deductions are no longer deductible, which include employee business expenses. Means it does not make sense for anyone to have a non-accountable plan.



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- Education Expenses/Credits – Up to \$2,500 of student loan interest can be deducted. There are two credits: (1) American Opportunity Tax Credit – if AOTC exceeds tax liability up to 40% may be refundable; and (2) Lifetime Learning Credit – 20% of qualified tuition and related expenses not to exceed \$10,000 can be claimed. There is also an Elementary/Secondary School Teacher deduction of up to \$250 if they buy school supplies with their own money.
- Saver's Tax Credit – Applies if you participate in a 401K, percentage is 10%-50% of qualified retirement savings contributions.

The second portion of Mr. Brobesong's presentation was focused on business taxes. These included the following discussion items:

- Tax Rates – Effective for taxable year beginning after 12/31/17, a flat rate of 21%.
- Legal Entity – Under Guam Law, a legal entity is a Corporation, Partnership, Limited Partnership, Registered Limited Liability Partnership, Trust, and Limited Liability Company (LLC). An LLC is a legal entity, but not a tax entity.
- Tax Entity – Corporation, Partnership, Trust
- Business Entity – a business entity must determine its tax status under the IRC. A business entity is any entity recognized for Federal tax purposes that is not a corporation, trust, or otherwise subject to special treatment under the IRC.
- Depreciation – Section 179 is available for personal property and qualified real property, and qualified improvement property.
- Bonus Depreciation – Depreciation shall include an allowance equal to a % of adjusted basis of qualified property. The committee report stated it has to have a 15-year life, however, the law was not specific. Congress needs to make the correction.

V. President's Report

- a. Nominations for Program Year 2020-2021 – Debbie called upon Jojo Guevara to report on the nominations of Officers on behalf of the Nominating Committee. The Nominating Committee also included Ricky Hernandez, Yuka Hechanova and Pilar Pangelinan. The membership was emailed for nominations and the following were selected:

- President-elect – Maripaz Perez
- Treasurer-elect – Llewelyn Terlaje
- Secretary – Pamela Aguigui

As there were no other nominees, Jojo requested for a motion to accept the slate of the candidates as next program year's officers. Doreen Crisostomo made the motion to accept the slate of candidates and Rodalyn Gerardo seconded the motion. All were in favor and the motion passed.

- b. Debbie reported that Yuka Hechanova was also selected to be NCC Representative for next program year.

VI. Other Matters/Open Floor

- a. February Anniversaries – Debbie displayed on the screen the members with February anniversaries. There was a range of anniversaries from one year to over 20 years



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- b. PDT Raffle - PDT is coming up in July and there are two ways to join the raffle. First chance is for those who attend 8-10 meetings and participate in two community service events. The second chance is through the new member recruitment if you recruit two members you can earn one raffle. There is a max of two.
 - c. Education updates – Ethics and CCR training on 2/27/2020; GASB Updates on 3/9/2020, and Ethics and Project Management on 3/27/2020. GPDC Biennial training is tentatively scheduled for July 29-31, 2020.
 - d. CGFM Month – March 2020 is the 26th anniversary for CGFM. CGFM dues are also due by the end of the month. Governor’s Proclamation and Legislative Resolution will be held on March 12. Everyone is encouraged to attend and to wear red for the events. More information on CGFM month events will be emailed.
 - e. Community Service Updates – Career Day is set for Friday at Simon Sanchez. There are three slots open. Let Margie or Vanessa know if you are interested. Guma San Jose feeding is on April 8th is set and the annual 5K is set for June 27th at Chamorro Village. These first two activities count as community service for this program year. The 5K is counted toward next year’s participation.
 - f. Lunch Raffle – Maripaz Perez won the raffle.
- VII. Reminder: Next Meeting – Wednesday, March 25, 2020
- VIII. Adjourn Meeting – Pamela Aguiqui moved to adjourn the meeting and was seconded by Jojo Guevara. All were in favor and meeting was adjourned at 1:14 PM.

Official Minutes prepared by: Llewelyn Terlaje
AGA – Guam Chapter Secretary