



# United States Department of the Interior

OFFICE OF INSULAR AFFAIRS  
1849 C Street, NW  
Washington, DC 20240

Assistant Secretary

SEP - 4 2019

The Honorable Lourdes Leon Guerrero  
Governor of Guam  
Ricardo J. Bordallo Governor's Complex  
Adelup, Guam 96910

Dear Governor Leon Guerrero:

Thank you for the 2020 Guam Section 30 advance estimate of \$81,000,000. This is to notify you that an advance payment of \$69,928,937, including all adjustments and the Guam World War II Claims Fund set-aside, will be made to the Government of Guam on or about September 11, 2019.

I want to provide additional details related to the 2020 Guam Section 30 advance payment calculation. Guam's estimate for the 2020 Section 30 taxes was \$81,000,000. The 2020 advance request for Guam Section 30 has been increased by \$7,252,198 for adjustments owed for prior years. These adjustments include the 2017 military home of record cover over, 2016 private sector source income, 2016 Offshore Voluntary Disclosure, and 2018 Federal agency cover over amounts. Please note that the 2018 Federal agency cover over has decreased due to the decrease in the tax amounts withheld from the paychecks of individuals related to the 2018 Tax Cuts and Jobs Act. (Calculation: \$81,000,000 plus \$7,252,198 equals \$88,252,198).

The 2020 advance request for Guam Section 30 has been reduced by \$18,323,261 for the Guam World War II Claims fund. This is the amount Guam's 2016 actual Section 30 tax collections of \$86,926,361 exceed the 2014 threshold amount of \$68,603,100. (Calculation: \$86,926,361 minus \$68,603,100 equals \$18,323,261).

The final adjusted amount of \$69,928,937 will be transferred to Guam's designated bank account on or about September 11, 2019. (Calculation: \$88,252,198 minus \$18,323,261 equals \$69,928,937).

Secretary Bernhardt will make the announcement regarding 2020 Guam Section 30, please hold press release until after his announcement.

Please see attached documents for additional details. If you have any questions, please contact me or have your staff contact Charlene Leizear of my staff at (202) 208-3239 or [Charlene\\_Leizear@ios.doi.gov](mailto:Charlene_Leizear@ios.doi.gov).

Sincerely,

Douglas W. Domenech  
Assistant Secretary  
Insular and International Affairs

Attachments

**OFFICE OF INSULAR AFFAIRS  
GUAM SECTION 30  
ADVANCE CALCULATION  
WITH GUAM WAR CLAIMS ADJUSTMENT**

**Guam Section 30**

**2020 Advance**

**AMT OF ADJUSTMENT TO ADVANCE:**

2018 ADVANCE ESTIMATE PAID TO GUAM	78,072,074
2018 Federal Agency Cover Over GUAM	66,182,971
<b>TOTAL IRS CERTIFICATIONS 2018 to date</b>	<b>\$66,182,971</b>
<b>ADJUSTMENT AMOUNT 2018 Actuals</b>	<b>-\$11,889,103</b>
2017 MILITARY HOME OF RECORD Cover Over (filers)	4,390,087
2017 MILITARY COVER OVER (non-filers)	3,124,469
2017 Private Sector Source Income	3,094,236
<b>ADJUSTMENT AMOUNT 2017 Actuals</b>	<b>10,608,792</b>
2016 Private Sector Source Income	3,127,211
2016 Offshore Voluntary Disclosure Program	5,405,297
<b>ADJUSTMENT AMOUNT 2016 Actuals</b>	<b>8,532,508</b>
<b><u>Guam's 2020 Estimate</u></b>	<b>\$81,000,000</b>
2018 Adjustment Amount	-\$11,889,103
2017 Adjustment Amount	\$10,608,792
2016 Adjustment Amount	\$8,532,508
<b>2020 Total Advance Guam</b>	<b>\$88,252,198</b>
Reduction for Guam War Claims Fund (based upon 2016 actuals. See Guam War Claims Fund Calculation Sheet)	-\$18,323,261
<b>2020 Adjusted Advance Guam (amount to be paid)</b>	<b>\$69,928,937</b>

*Section 1703c of the National Defense Authorization Act of 2017 established a mechanism for the funding of Guam War Claims through the Guam Section 30 funds. Treasury established the 2014 threshold amount for the Guam War Claims fund at 68,603,100. Any funds owed to Guam above this amount in years succeeding 2014 should be deposited into the Guam War Claims fund instead of being paid to Guam.*