

BILL NO. 30-0125

Thirtieth Legislature of the Virgin Islands

May 15, 2013

An Act amending title 33, subtitle 1, part I, chapter 3, sections 42 and 44 of the Virgin Islands Code by requiring the Director of the Internal Revenue Bureau to offset the excise tax and gross receipts tax liability of any person or business operating in the Virgin Islands against any amount of money that the Government of the Virgin Islands owes to that person or business, and amending title 33, subtitle 2, chapter 89, subchapter I, section 2494 of the Virgin Islands Code by requiring the Lieutenant Governor to offset a property owner's property tax liability against any amount of money that the Government of the Virgin Islands owes to that property tax owner

PROPOSED BY: Senator Alicia "Chucky" Hansen

1 *Be it enacted by the Legislature of the Virgin Islands:*

2 **SECTION 1.** Title 33, subtitle 1, part I, chapter 3 of the Virgin Islands Code is amended as
3 follows:

4 (a) In section 42, by adding a new subsection (i) to read as follows:

5 “(i) Upon determination of the amount of excise taxes owed by a person, partnership,
6 firm, corporation or other business association (the “taxpayer”) to the Government of the Virgin
7 Islands, the Director of the Internal Revenue Bureau shall, upon application by the taxpayer,
8 credit or offset the excise tax liability against the full amount that the Government of the Virgin
9 Islands, or its semi-autonomous agencies and instrumentalities, owes to the taxpayer upon proof

1 of the debt. The credit or offset shall not exceed \$1,200,000.00 annually. Proof of Government
2 debt includes, but is not limited to, judgments or orders, including consent judgments, entered in
3 civil litigation of any kind in which the taxpayer and the Government of the Virgin Islands or one
4 of its instrumentalities or semiautonomous agencies are the parties, and any statement signed by
5 the Commissioner or head officer of any Government of the Virgin Islands department or
6 instrumentality or semi-autonomous agency or instrumentality evidencing the debt owed to the
7 taxpayer, including but not limited to statements set forth in settlement agreements entered by the
8 taxpayer and the Government of the Virgin Islands or its semi-autonomous agencies and
9 instrumentalities. The requirements of subsections (g) and (h) need not be satisfied in order for a
10 taxpayer to be entitled to a credit or offset under this subsection.”

11 (b) In section 44, by adding a new subsection (g) to read as follows:

12 “(g) Upon determination of the amount of gross receipts tax liability owed by a person,
13 partnership, firm, corporation or other business association (the “taxpayer”) to the Government
14 of the Virgin Islands, the Director of the Internal Revenue Bureau shall, upon application by the
15 taxpayer, credit or offset the gross receipts tax liability for any year against the full amount that
16 the Government of the Virgin Islands, or its semi-autonomous agencies and instrumentalities,
17 owes to the taxpayer upon proof of the debt. The credit or offset shall not exceed \$1,200,000.00
18 annually. Proof of Government debt includes, but is not limited to, judgments or orders,
19 including consent judgments, entered in civil litigation of any kind in which the taxpayer and the
20 Government of the Virgin Islands or one of its instrumentalities or semiautonomous agencies are
21 the parties, and any statement signed by the Commissioner or head officer of any Government of
22 the Virgin Islands department or instrumentality or semi-autonomous agency or instrumentality
23 evidencing the debt owed to the taxpayer, including but not limited to statements set forth in

1 settlement agreements entered by the taxpayer and the Government of the Virgin Islands or its
2 semi-autonomous agencies and instrumentalities.”

3 **SECTION 2.** Title 33, subtitle 2, chapter 89, subchapter I, section 2494 of the Virgin Islands
4 Code is amended by designating the existing paragraph as subsection (a), and adding a new subsection
5 (b) to read as follows:

6 “(b) Upon determination of the amount of real property taxes owed by a taxpayer to the
7 Government of the Virgin Islands for any year, the Lieutenant Governor shall, upon application by the
8 taxpayer, credit or offset the property tax liability against the full amount that the Government of the
9 Virgin Islands, or its semi-autonomous agencies and instrumentalities, owes to the taxpayer upon proof
10 of debt. The credit or offset shall not exceed \$1,200,000.00 annually. Proof of Government debt
11 includes, but is not limited to, judgments or orders, including consent judgments, entered in civil
12 litigation of any kind in which the taxpayer and the Government of the Virgin Islands or one of its
13 instrumentalities or semiautonomous agencies are the parties, and any statement signed by the
14 Commissioner or head officer of any Government of the Virgin Islands department or instrumentality or
15 semi-autonomous agency or instrumentality evidencing the debt owed to the taxpayer, including but not
16 limited to statements set forth in settlement agreements entered by the taxpayer and the Government of
17 the Virgin Islands or its semi-autonomous agencies and instrumentalities.”

18 **BILL SUMMARY**

19 This bill, in Section I, amends title 33, subtitle 1, part I, chapter 3, sections 42 and 44 of the
20 Virgin Islands Code by requiring the Director of the Internal Revenue Bureau to offset the excise tax and
21 gross receipts tax liability of any person or business operating in the Virgin Islands against any amount
22 of money that the Government of the Virgin Islands owes to that person or business. Section 2 amends
23 title 33, subtitle 2, chapter 89, subchapter I, section 2494 of the Virgin Islands Code by requiring the

1 Lieutenant Governor to offset a property owner's property tax liability against any amount of money that
2 the Government of the Virgin Islands owes to that property tax owner.

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4 BR13-0219/April 19, 2013/EEM/Reviewed by MMH

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