

ACT NO. 6583

BILL NO. 25-0037

TWENTY-FIFTH LEGISLATURE OF THE VIRGIN ISLANDS OF THE UNITED STATES

Regular Session

2003

To amend title 33, Virgin Islands Code, chapter 3 to establish an infrastructure user's fee; to amend title 33, Virgin Islands Code, section 91, to increase the tax on gasoline and diesel fuel; and to amend title 33, Virgin Islands Code, section 72 to increase the highway user's tax and to impose a fee upon commercial trailers and to repeal Act 6483, section 5

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WHEREAS, the uncertainty of the economy throughout the entire world demands that each jurisdiction take measures to maintain and stabilize the economy; and

WHEREAS, the Government of the Virgin Islands is suffering a severe fiscal crisis; and

WHEREAS, the Government is seeking long-term solutions to its fiscal situation; and

WHEREAS, the levying and increasing of certain taxes will generate the additional revenues for the Government; Now Therefore;

BE IT ENACTED by the Legislature of the Virgin Islands:

SECTION 1. Title 33, chapter 3, Virgin Islands Code, is amended by adding section 56 to read:

"§56. Infrastructure User's Fee

(a) The Legislature finds and declares that providing environmentally sound practices to manage solid waste, wastewater, and other pollutants are essential to the preservation and improvement of the health, welfare and living conditions of the citizens of the Territory, as well as to the promotion and growth of industry and employment.

(b) The purpose of the provisions of this section is to generate revenues for the General Fund to cover, in part, the cost of solid waste management, wastewater treatment infrastructure repairs and improvements, and other urgent environmental requirements imposed by Federal and local laws.

(c) Every individual, firm, corporation and other association doing business in the U.S. Virgin Islands, except those exempted or excluded, shall pay an environmental infrastructure user's fee of two cents per pound on all articles, goods, merchandise, or commodities produced in or brought into the U.S. Virgin Islands for use in a business, for disposition or sale in the course of trade or business, for processing or manufacturing or for any other business use or purpose, based on the weight of any such articles, goods, merchandise, or commodities, as determined according to the provisions of subsections (b) and (c) of this section. The Director of the Bureau of Internal Revenue may promulgate such rules and regulations as are necessary for the proper administration and enforcement of this section. However, when the Virgin Islands Waste Management Authority is established, the responsibility for the collection and administration of the fee provided for in this section, shall be transferred to the Authority.

(d) For purpose of this section, the weight of the articles, goods, merchandise and commodities for any business use or purpose shall include the weight of any and all paper, plastic, glass, or wooden materials and supplies used to package such articles, goods, merchandise, or commodities.

(e) If an article is sold more than once in the course of trade or business, its weight shall be included in the infrastructure user's fee calculation, as prescribed under this section, of the manufacturer, importer, or other first seller in the U.S. Virgin Islands.

(f) For purposes of this section, the lease or rental or sale determined to be a lease, to any importer or producer of any articles, goods merchandises, or commodities for any business use or purpose shall be considered a sale to the importer or manufacturer, and subject to the user's fee imposed by this section. However, if items of equipment are imported into the U.S. Virgin Islands to be used for a period of 180 days or less, either under a lease, rental, or any other type of agreement, or by the owner thereof, the items of equipment shall not be subject to the user's fee imposed by this section.

(1) The importer of such equipment shall attach a copy of the rental agreement to the infrastructure user's fee return required to be filed by said importer.

(2) Upon exportation of the equipment temporarily imported into the U.S. Virgin Islands, the importer shall furnish a copy of the approved exported declaration to the Bureau of Internal Revenue as evidence of the date of such exportation.

(3) Equipment originally imported to remain no longer than 180 days in the U. S. Virgin Islands, but which remains for a longer period, must be treated as other than a lease or rental for 180 days or less and infrastructure user's fees thereon must be computed on the basis as provided in the first sentence of this subsection.

(g) The following are exempt from infrastructure user's fees under this section:

- (1) Molasses used for the production of rum and for agriculture purposes;
- (2) Animal feed, poultry feeds, and commercial fertilizers;
- (3) Articles for use in construction limited to cement, steel, lumber and sheetrock;
- (4) Articles, goods, merchandise, and commodities disposed of in the course of export trade by importers and U.S. Virgin Islands manufactures to purchasers for delivery outside the Virgin Islands; and
- (5) All other articles, goods, merchandise, or commodities exempt from taxation under Act No. 6231, or declared to be exempt from the user's fee imposed by this section by order of the U.S. Virgin Islands Public Service Commission following notice and hearing."

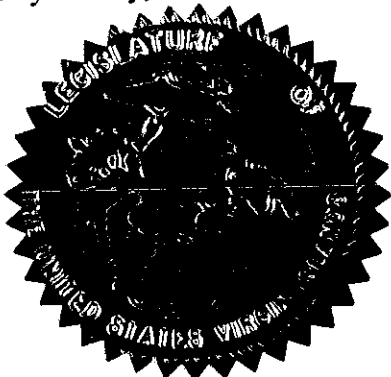
SECTION 2. Title 33, section 72, Virgin Islands Code is amended by striking the phrase "eleven cents per pound" wherever it appears and inserting the phrase "sixteen cents per pound" in lieu thereof.


SECTION 3. Title 20, section 340, Virgin Islands Code is amended by designating the existing paragraph as subsection (a) and adding new subsections (b) and (c) to read as follows: "(b) Any container cargo line or its agent, who brings a container into the Territory, shall be assessed a fee of \$50 per container on containers that measure up to 39 feet in length and \$100 per container that measures 40 feet or more. (c) The fees assessed in subsection (b) shall be collected by the Director of the Bureau of Internal Revenue and deposited into the General Fund in the Treasury of the Virgin Islands."


SECTION 4. Act No. 6483 (Bill No. 24-0183), Section 5, is repealed in its entirety.

Thus passed by the Legislature of the Virgin Islands on June 18, 2003.

Witness our Hands and the Seal of the Legislature of the Virgin Islands this 1st
Day of July, A.D., 2003.




David S. Jones
President


Shawn-Michael Malone
Legislative Secretary



The above bill is hereby approved.

Witness my hand and the Seal of the
Government of the United States
Virgin Islands at Charlotte Amalie,
St. Thomas, this 14th day of July,
A.D., 2003.

Charles W. Turnbull
Charles W. Turnbull
Governor