



Legislature of the Virgin Islands

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POST AUDIT DIVISION

March 12, 2025

MEMORANDUM

TO: Honorable Novelle E. Francis, Jr.
Chairman, Committee on Budget, Appropriations and Finance
36th Legislature of the Virgin Islands

FROM: Post Audit Division

SUBJECT: Bill No. 36-0023 – An Act amending title 33 Virgin Islands Code, chapter 4, section 72 relating to the highway user tax

ANALYSIS

33 V.I.C. § 72

**Statutes current through Act 8856 of the 2024 session of the 35th Legislature, including all code changes through September 10, 2024
Virgin Islands Code Annotated TITLE THIRTY-THREE Taxation and Finance
(Subts. 1 — 4) Chapter 4. Highway User's Tax (§§ 70 — 75)**

§ 72. Highway user's tax

Every person (except a non-profit organization engaged in first responder emergencies related to health or life, a person or firm who or which purchases a motor vehicle to be used as either a taxicab or a bus to be operated under a franchise granted by the Governor of the Virgin Islands or any person who has purchased a new hybrid or fuel efficient vehicle or a person who purchases a motor vehicle, that at the time of such purchase, had been licensed as a taxi cab for more than five years) or firm, before registering a motor vehicle requiring licensing (whether new, used, or licensed prior thereto as a taxicab in the Virgin Islands “)”) for the first time, shall pay a highway user's tax on the unladen weight of said vehicle at the rate ~~of sixteen cents per pound~~ “based on weight classification set forth below”, provided, that the minimum highway user's tax for any vehicle shall be \$25.00

“Class 1: Weight 0000-6000 pounds - \$0.16 per pound;
Class 2: Weight 6001-10,000 pounds - \$0.18 per pound;
Class 3: Weight 10,001-14,000 pounds - \$0.20 per pound;
Class 4: Weight 14,001-16,000 pounds - \$0.22 per pound;
Class 5: Weight 16,001-19,500 pounds - \$0.24 per pound;
Class 6: Weight 19,501-26,000 pounds - \$0.26 per pound;
Class 7: Weight 26,001-33,000 pounds – Rate \$0.28 per pound; and
Class 8: Weight 33,001 and up - \$0.30 per pound.”

For purposes of determining the vehicle unladen weight as used in this section, the manufacturers' shipping weight as evidenced by an established automotive publication

such as, but not restricted to, National Market Report, shall be used. Where such publication does not include the weight of a specific vehicle, a bill of lading, owner's manual or other evidence of the weight may be accepted at the discretion of the Director.

SUMMARY

Bill No. 36-0023 seeks to amend the highway user tax by modifying the Virgin Islands Code from the current rate per pound of sixteen cents to the new proposed rates determined by weight classification. The proposed rates will subsequently increase the revenue stream collected by the Bureau of Internal Revenue. The Post Audit Division recommends approval of this bill as it updates and improves the highway user tax based on the weight classification.

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