



**GOVERNMENT OF
THE VIRGIN ISLANDS OF THE UNITED STATES
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VIRGIN ISLANDS BUREAU OF INTERNAL REVENUE**



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**TESTIMONY OF
DIRECTOR OF THE VIRGIN ISLANDS
BUREAU OF INTERNAL REVENUE
BEFORE THE COMMITTEE ON
BUDGET, APPROPRIATIONS AND FINANCE**

GREETINGS HONORABLE SENATOR NOVELLE E. FRANCIS, JR.,
CHAIRPERSON OF THE COMMITTEE ON BUDGET, APPROPRIATIONS
AND FINANCE, MEMBERS OF THE COMMITTEE, ALL OTHER SENATORS
PRESENT, AND THE LISTENING AND VIEWING AUDIENCE. I AM JOEL A.
LEE, DIRECTOR OF THE VIRGIN ISLANDS BUREAU OF INTERNAL
REVENUE. THANK YOU FOR ALLOWING THE BUREAU TO PRESENT
TESTIMONY ON BILL NO. 36-0023.

THIS BILL WOULD REVISE THE CALCULATION OF HIGHWAY
USER'S TAX BY IMPLEMENTING CLASSES BASED ON WEIGHT. THE
BILL ANTICIPATES EIGHT CLASSES OF WEIGHTS WITH ASSOCIATED
INCREASES RANGING FROM THE CURRENT 16 CENTS PER POUND UP
TO 30 CENTS PER POUND.

THE BUREAU REVIEWED LAST YEAR'S COLLECTIONS OF HIGHWAY USER'S TAX AND NOTED THAT THE AVERAGE WEIGHT OF VEHICLES PURCHASED LAST YEAR WAS 4,000. IF IT IS THIS BODY'S INTENT TO PLACE A HIGHER TAX FOR LARGER VEHICLES, THE BUREAU WOULD RECOMMEND THAT A SIMPLIFIED INCREASED, SUCH AS A FLAT INCREASE TO THE CURRENT SIXTEEN CENT RATE. THE BASIS FOR THIS RECOMMENDATION IS THAT THE COST OF THE IMPLEMENTATION OF AN EIGHT CLASS PRICE RANGE FAR EXCEEDS THE ANTICIPATED COLLECTION COSTS.

THANK YOU FOR THE OPPORTUNITY TO PROVIDE THIS TESTIMONY. I AM AVAILABLE TO ANSWER ANY QUESTIONS YOU MAY HAVE AT THIS TIME.