



**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 BUREAU OF INTERNAL REVENUE
BEFORE THE COMMITTEE ON
BUDGET, APPROPRIATIONS AND FINANCE**

GREETINGS SENATOR NOVELLE E. FRANCIS, JR., CHAIRMAN OF THE COMMITTEE ON BUDGET, APPROPRIATIONS AND FINANCE, ALL OTHER SENATORS PRESENT AND THE LISTENING AND VIEWING AUDIENCE. FOR THE RECORD, I AM JOEL A. LEE, DIRECTOR OF THE VIRGIN ISLANDS BUREAU OF INTERNAL REVENUE. I AM APPEARING TODAY TO TESTIFY ON BILL NO. 36-0083, AS AMENDED BY AMENDMENT NO. 36-490. THIS BILL SEEKS TO IMPLEMENT A 90 DAY AMNESTY FOR WAIVER OF THE PENALTIES FOR PAYMENT OF OUTSTANDING PROPERTY TAXES, WAIVER OF PENALTIES FOR THE PAYMENT OF OUTSTANDING INCOME TAXES AND WAIVER OF PENALTIES AND INTEREST ON THE PAYMENT OF OUTSTANDING GROSS RECEIPTS TAXES.

SECTION 2 REQUIRES THAT THE TAXPAYER FILE THE RETURN FOR EACH YEAR THAT THE AMNESTY IS REQUESTED AND PAY THE ENTIRE BALANCE BY THE END OF THE 90 DAY PERIOD.

SECTION 3 REQUIRES SPECIFIC AREAS FOR PUBLISHING AND ADVERTISING THE AMNESTY PROGRAM.

SECTION 5 REQUIRES A REPORT TO THE LEGISLATURE WITHIN 30 DAYS AFTER THE END OF THE AMENSTY DETAILING THE NUMBER OF TAXPAYERS WHO PARTICIPATED, THE AMOUNTS WAIVED AND THE AMOUNTS COLLECTED.

AS OF SEPTEMBER 30, 2025, TOTAL REALISTIC COLLECTIBLE GROSS RECEIPTS TAXES OUTSTANDING AMOUNTS TO \$93 MILLION, CORPORATE TAXES OF \$7 MILLION AND FINALLY INDIVIDUAL TAXES OF \$30 MILLION. IF THIS BILL BECOMES LAW, SOME PORTION OF THIS BALANCE WILL BE COLLECTED AND THE ASSOCIATED PENALTIES AND INTEREST WILL BE ABATED.

HISTORICALLY, AMNESTIES RESULT IN A SHORT DELAY OF COLLECTIONS OF REVENUES SINCE TAXPAYERS WAIT UNTIL THE LAST DAY OF THE AMNESTY PERIOD TO MAKE PAYMENTS. IF THIS BILL IS PASSED, THERE MAY BE A SLIGHT REDUCTION IN COLLECTIONS AS THE TAXPAYERS WAIT OUT THE END OF THE 90 DAY PERIOD, AND POSSIBLY COLLECT INTEREST ON PAYMENTS THAT THEY WOULD NORMALLY MAKE TO THE GOVERNMENT. THE BUREAU, HOWEVER, IS FULLY AWARE OF THE FACT THAT IT MUST AVAIL ITSELF OF THESE LEGISLATIVE OPPORTUNITIES WHICH FACILITATE COLLECTIONS OF PAST DUE BALANCES TO THOSE WHO MEET THE REQUIREMENTS AND REAP THE BENEFITS OF THE PROGRAM.

THANK YOU FOR THE OPPORTUNITY TO PRESENT THE BUREAU'S RESPONSE TO THIS LEGISLATION. I AM AVAILABLE TO ANSWER ANY QUESTIONS YOU MAY HAVE.