



**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 DONNA FRETT GREGORY,
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. 35-0028.

THIS BILL WOULD ADD THE PAYMENTS FROM TRICARE TO THE
CURRENT LIST OF PAYMENTS THAT ARE SUBJECT TO THE REDUCED
GROSS RECEIPTS TAX RATE OF 2.5%.

THE BUREAU OF INTERNAL REVENUE HAS REVIEWED THE
GROSS RECEIPTS TAXES FILED BY PHYSICIANS FOR THE PAST TWO
FISCAL YEARS. GROSS RECEIPTS PAYMENTS FROM MEDICARE AND

MEDICAID AVERAGED \$1M PER YEAR DURING THIS PERIOD OF REVIEW. WE DO NOT ANTICIPATE THAT THIS ADDITIONAL INSURANCE PAYMENT WILL RESULT IN A SIGNIFICANT IMPACT ON OUR OVERALL COLLECTIONS.

AS THE TAX ADMINISTRATION ARM OF THE GOVERNMENT, THE BUREAU STANDS READY TO IMPLEMENT THIS CHANGE. WE DO NOT ANTICIPATE A NEED FOR A LONG LEAD TIME SINCE THE FORM WILL BE REVISED TO INCLUDE THE TRICARE PAYMENTS DIRECTLY ON THE RETURN. WE WILL PROVIDE EDUCATION TO THE MEDICAL POPULATION BY WAY OF A PRESS RELEASE.

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