The Virgin Islands Consortium

BIR Announces Deadline for Submission of W-2VI Form, With Possible Civil and Criminal Penalties for Noncompliance

Deadline Approaching: January 31 cut-off for W-2VI form distribution to employees

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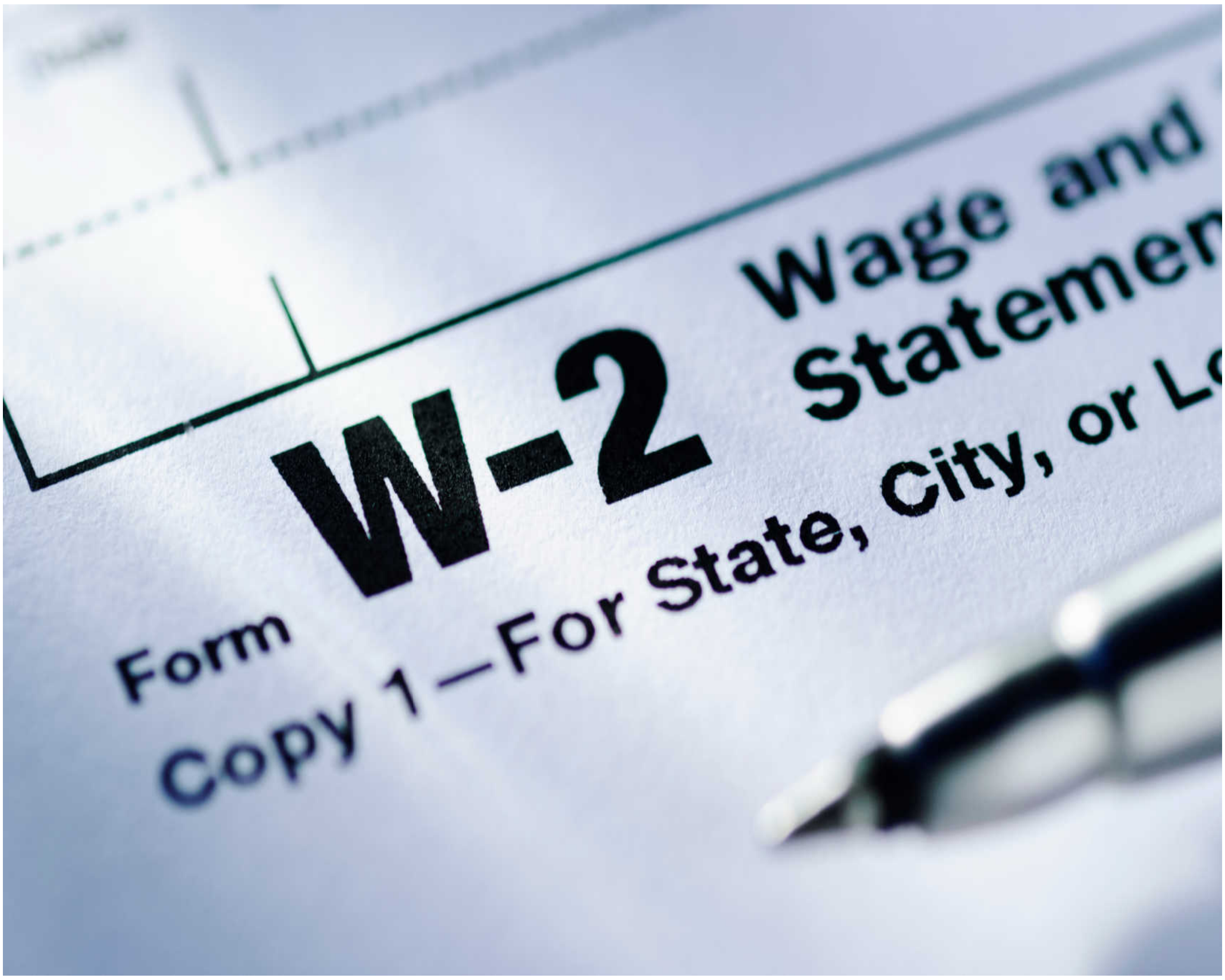

The V.I. Bureau of Internal Revenue has issued a crucial reminder to all employers in the U.S. Virgin Islands regarding the submission of Form W-2VI.

Employers are required to provide this form, which is specific to the Virgin Islands, to their employees by January 31, 2024.

The form, which must be used for reporting 2023 wages, is essential for the correct processing of tax documents in the territory. Employers using the incorrect Form W-2, designated for employment in the continental United States, will face processing delays and penalties.

The Bureau has warned that failure to comply with this mandate can lead to a civil penalty of $50 for each unsubmitted return. In some cases, non-compliance may also attract criminal penalties.

B.I.R. Director Joel Lee emphasized that Form 1099 is not appropriate for reflecting employees' wages. Instead, Form W-2VI must be used irrespective of the duration an employee worked in the Virgin Islands or the location where the payroll is prepared.

Employers looking to streamline the submission process can opt for electronic transmission of wage information. The Bureau's Computer Operations Department is ready to assist with any queries related to this format.

For any questions or concerns regarding Forms W2VI and W-3SS, employers are encouraged to contact the Office of Chief Counsel.

As the deadline approaches, the Bureau urges all employers to ensure timely compliance to avoid penalties and ensure smooth processing for their employees.