

Tax Office Plans to Collect Millions in Delinquent Property Taxes, Hesitant to Auction Off Properties

Property owners urged to update mailing addresses and notify Tax Collector's Office of probate status

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During Tuesday's Revenue Estimating Conference, tax assessor Ira Mills estimated that \$61 million will be collected in property taxes this financial year. He said \$28 million of that amount would be in delinquent payments, while the remaining \$33 million is expected in current collections.

To date, the Office has collected \$15.4 million, "made up mainly of the delinquencies." Mr. Mills explained that the bulk of current collections occur between June and August 30 of the current tax year, with outstanding balances after that date considered to be delinquent.

In FY2025, projected delinquent collections are expected to rise to \$31 million, with a similar \$33 million in current collections. Payments are considered delinquent if they are not made before August 30th.

Mr. Mills has encouraged property owners to ensure the tax office knows their correct mailing address, even if they keep track of their status online through the citizen access portal. Families of deceased property owners are also asked to keep the Tax Collector up to date regarding the probate process. “If they don't do that, penalties and interest would continue to accrue,” he warned. “If it's not reported to us, then it's not adjusted by us. It's as simple as that.”

As the Tax Collector's Office continues its mission to collect current and outstanding payments, individuals are again asked to utilize payment plans to clear their debts. It is these payment plans that the Office hopes will contribute to increased delinquent collections in FY2025.

Along with the incentives to settle outstanding property taxes including the amnesty program and payment plan options, the tax office is prepared to take action against recalcitrant property owners. “If persons don't take advantage of those payment plans, we have an obligation to collect taxes,” Mr. Mills said.

While the tax office has made it clear that auctions are a last-resort option, if all else fails, the tax assessor warned that things could reach that point. The threat of their property potentially being auctioned away, Mr. Mills hoped, would encourage property owners to “pay more attention to keeping their payments current.” Auctions of properties began last year, with more expected in the future, including another round scheduled for next month.

According to Governor Albert Bryan Jr., the territory's small population has fueled the historical “reluctance of the Government of the Virgin Islands to take traditional and legacy properties away from people.” This reluctance, he said, “is why we have a tax problem collecting.” According to the governor, the community must make a choice between the “individual rights of people or the collective rights of the community to live in places where people pay their taxes.”

However, even the shift to conducting auctions of properties whose owners are delinquent on taxes, while generating much-needed revenue for the government, may have unintended consequences. Senator Carla Joseph, one of the few legislators who attended the session in person, was concerned about the possible gentrification of communities due to these auctions. She encouraged the Office to do all it could to “support those families,” particularly those going through probate.

Meanwhile, lawmakers were apprised by Mr. Mills that the tax office was “still on the path to requesting more resources in terms of inspections.”