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Bolques-Sponsored Bill Raises Car Rental Surcharge from \$3.75 to \$5 in Effort to Generate New Revenue For GVI

Sponsored by Senator Angel Bolques, the bill aims to generate up to \$1 million annually by raising the car rental surcharge, with funds directed to the general fund to support essential government services and infrastructure improvements

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Nelcia Charlemagne **September 27, 2024**

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Avis, Budget and Hertz at the Cyril E. King Airport in St. Thomas. By. ERNICE GILBERT, V.I. CONSORTIUM

The 35th Legislature has identified new revenue sources for the government, one of which will impact the cost of vehicle rentals.

On Wednesday, members of the Senate Committee on Budget, Appropriation and Finance voted to forward Bill 35-0272 to the Committee on Rules and Judiciary. The favorable vote was the first line of approval for the expansion of an existing revenue source through an increase in the Motor Vehicle Rental Surcharge. The bill was introduced by Sen. Angel Bolques, who explained that the surcharge will increase by \$1.25 for a new total of \$5.

He described the proposed increase as “a practical and necessary step to generate the revenue needed to support vital government services, operations, and infrastructure improvements.” Originally intended for the District Road Fund, an amendment was made to direct the collected surcharge to the territory’s general fund instead, where it will be able to sustainably support a “wide range of public services infrastructure improvements across the territory.”

Mr. Bolques was sure to explain that the increased surcharge on vehicle rentals would not unduly burden local Virgin Islanders. The lion's share of the tax that is collected is predominantly generated from tourists, he said. “This measure has the potential to generate about \$900,000 to \$1 million every fiscal year,” he anticipated.

With no debate on the proposal, the seven members on the committee agreed with Senator Bolques that Bill 35-0272 is a “win-win approach, both for residents and the Government of the Virgin Islands.”

The measure was unanimously passed and will be sent to the Committee on Rules and Judiciary under the closed rules, like the other budget bills being passed this week.

Correction: Sept. 27, 2024 at 12:43 p.m.

A previous version of this article’s title incorrectly stated that the Motor Vehicle Rental Surcharge would increase by \$3.75. The correct increase is \$1.25, for a new total of \$5. We’ve updated the title to reflect the correct information.