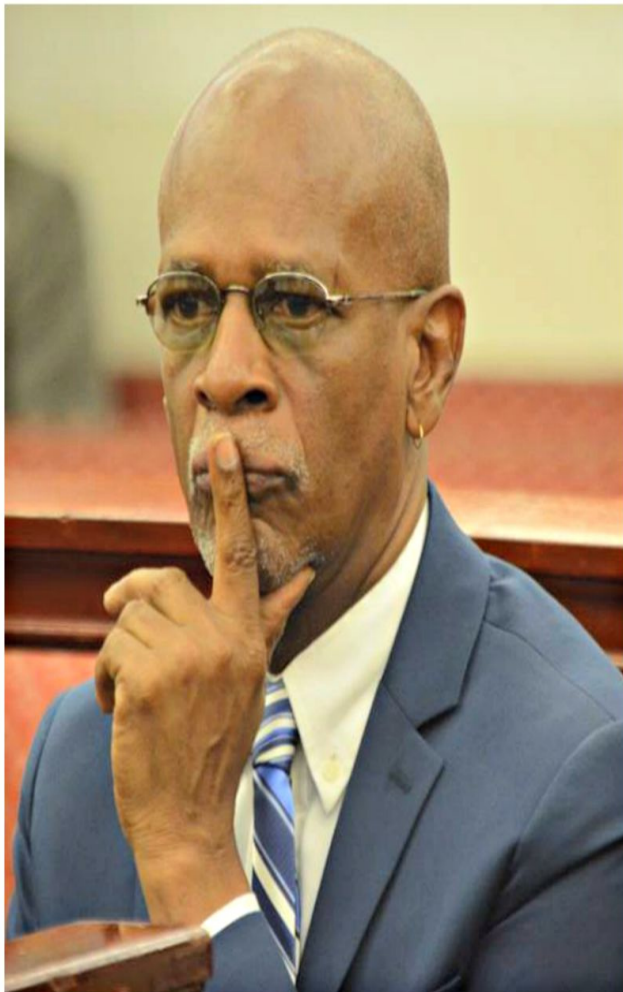


The Virgin Islands Consortium

If You're Renting Out A Villa, Apartment, House, Bed & Breakfast Or Timeshare You Should Pay Taxes, Gov. Agencies Say

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ST. CROIX -- The Commissioners of Department of Licensing and Consumer Affairs and the Department of Tourism along with the Director of the Bureau of Internal Revenue recently met to discuss the regulation of vacation room rentals in the Virgin Islands, according to a press release DLCA issued on Wednesday.

The industry, which is quickly growing in the V.I., is estimated at nearly \$25 billion in the United States alone. Add in Europe, and that figure grows into the \$85 billion dollar range. The industry includes villas, timeshares, condominiums, and bed and breakfast as

well as hotel room rentals.

While there is currently no legislation in the Virgin Islands Code that regulates the industry in a holistic manner, the agency heads see the need to apprise stakeholders and interested parties in the industry of their obligations under existing Virgin Islands law.

Department of Licensing and Consumer Affairs Commissioner Devin Carrington stated that individuals and entities involved in vacation room rentals must apply in writing to and obtain from the Commissioner of Licensing and Consumer Affairs, the proper license to engage in or conduct such business. Licensure is but part of the larger scheme of proper regulation of the industry for the benefit of the consumer, said Carrington. The commissioner stated that non compliance is a violation that shall result in a citation.

Director Marvin Pickering of the Bureau of Internal Revenue reminds stakeholders and interested parties of the obligation to pay a hotel room occupancy tax as well as income and gross receipt taxes on rental income as required by statute. Hotels, villas, timeshare owners and any one else renting any lodging for a period of less than 90 days, are all reminded that the hotel room tax is 10% of that room rental.

Commissioner of Tourism Beverly Nicholson-Doty stated that compliance with the obligation for a business license only accrues to the benefit of the industry as a whole as proper regulation of the industry helps ensure that our visitors enjoy a most memorable experience in the Virgin Islands. Proper regulation of accommodations can only translate into a more rich and rewarding stay and the prospect of a return visit or word of mouth new visitors, stated the commissioner.

Commissioner Nicholson-Doty also reminded vacation room rental stakeholders and interested parties that the hotel room tax, which is deposited into the Tourism Advertising Revolving Fund, is used exclusively for advertising the Virgin Islands as a tourist destination. Therefore, the commissioner stated, monies deposited into the fund through payment of hotel room occupancy taxes accrues to the benefit of the very stakeholders and other interested parties that make up the vacation room rental industry.

All three agency heads urge that their respective agencies be contacted regarding questions or concerns involving vacation room rentals.