

The Virgin Islands Consortium

BIR To VI Residents: Don't File Income Taxes Outside Territory; It's Against Local Law

Business / **Published On January 13, 2016 11:28 AM /**

Ernice Gilbert **January 13, 2016**



ST. CROIX -- Bureau of Internal Revenue Director Marvin Pickering, in a press release issued on Tuesday, warned who he deemed "bona fide" VI residents not to file taxes outside of the territory, as such action is against local law. Above, Mr. Pickering.

Some residents have for years filed their tax returns in the states directly with the IRS, citing the fast turnaround in receiving their returns as the main cause for using the workaround.

"Bona fide residents of the Virgin Islands must not file their individual income tax returns, electronically or by mail, with the Internal Revenue Service (IRS)," cautioned Mr.

Pickering.

According to the release, the income tax return is only considered filed on the date that it is received by the Bureau, not the date received by the IRS. Taxpayers who receive erroneous refunds from the IRS will have to repay the erroneous refund issued by the IRS, and will be subject to penalties and interest, it added.

Self-employed taxpayers are required to file two tax returns, as well, the release went on. However, self-employment tax return should be submitted to the IRS. Mr. Pickering also reminded taxpayers not to include payment of self-employment taxes on the 1040 form, which is filed with BIR.

Mr. Pickering reiterated that there is currently no electronic filing in the territory. In speaking to Governor Kenneth Mapp in an exclusive interview last week, The Consortium was told that BIR is working on implementing electronic tax-filing. In the meantime, taxpayers must submit or mail the returns to BIR for processing.

Residents are asked to contact the Office of Chief Counsel at 715-1040, ext. 2249 or 714-9312 for more information.