

The Virgin Islands Consortium

No Taxes On Internet Purchases... For Now

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ST. THOMAS -- V.I. Residents will be pleased to know that the Mapp administration's plan to tax internet purchases was not included in last night's final sin tax bill, which was [favorably supported by Senate Democrats and forwarded to Governor Kenneth Mapp for his signature.](#)

But that doesn't mean the plan won't eventually be adopted. According to Dept. of Finance Commissioner and Public Finance Authority Executive Director Valdamier Collens, [speaking at a press conference last month](#), the governor's five-year economic growth plan, also includes new taxes on products purchased over the internet — whether from Amazon, Walmart or other U.S. retail outlets. Mr. Collens said the tax will be 5 percent, which he said would generate about \$3 to \$5 million annually for the

government.

Mr. Mapp said companies such as Amazon and Walmart have systems that track sales and could provide the government with realtime details relative to products purchased over the internet by Virgin Islanders. The governor said the 5 percent tax would also encourage residents to buy local.

Altogether, the Mapp administration believes that the five-year plan will be enough to eliminate the government's structural deficit — as requested by the bond market — which comes to over \$100 million annually.

The governor [had warned of drastic austerity](#) action if the sin tax measure was not passed. His administration had considered shutting down the government one day every two weeks until September 30, to help keep the government afloat.

The dire warnings from the governor played into Senate Democrats' decision to support the bill, fearing a rejection of the measure would result in mass layoffs throughout the government. And while Mr. Mapp had stressed that the more difficult actions would be taken only if the sin tax and property tax measures were not adopted, at least one department has already initiated deep cuts: The Consortium [learned on Tuesday](#) that the V.I.P.D. -- a first responder arm of the government -- had drastically cutback on overtime hours.