

The Virgin Islands Consortium

Passing Sin Tax Legislation Was Putting V.I. Residents First, Mapp Says In Thank You Note To Lawmakers

Government / **Published On March 02, 2017 09:17 PM /**

Ernice Gilbert **March 02, 2017**



Governor Kenneth Mapp on Thursday thanked lawmakers for passing his five-year economic growth plan, known as the sin tax bill, whose passage the governor said was the senators' way of putting the people of the Virgin Islands first.

Senate Democrats [late Tuesday gave the governor an important victory](#) after supporting the sin tax measure 9-5. They also supported a measure that creates a base of \$360 on property tax exemptions. The combined measures have been projected by the Mapp administration to raise roughly \$250 million over a five-year period, which the administration says will help bolster bondholders' confidence in the government's ability to address its structural deficit, currently over \$100 million, and also as a first step in the

right direction relative to having access to the bond market in the future.

"If we remain united and committed as both government and community," Mr. Mapp said according to the release issued today, "we will overcome this decades-old challenge of borrowing, and we will do so without increasing the cost of the goods and services that Virgin Islanders rely on for their quality of life."

Mr. Mapp said his administration remains committed not only to reducing the cost of government, but also to expand the economy with new opportunities for investment and employment. "The Legislature's bold action paves the way for sustainable success," he said.

At his press conference [just over a week ago](#), Mr. Mapp suggested that taking action sooner rather than later on the measure would bode well for the government, while easing the austerity measures outlined by the governor during the press conference.

"That's going to have an impact in terms of our overall plan because the measures that the Legislature is working on, if they're enacted in early March, then the revenues that we would expect between March 1 and September 30 would increase... the bridge would be reduced, hence the ability not to implement some of these more difficult reforms," the governor said.

Voting in support of the sin tax measure were senators Kurt Vialet, Nereida Rivera-O'Reilly, Jean Forde, Myron Jackson, Novelle Francis, Neville James, Marvin Blyden, Brian Smith and Sammuel Sanes. Voting against the measure were senators Positive Nelson, Millin Young, Dwayne DeGraff, Alicia Hansen and Tregenza Roach. The senators voted in the same order on the property tax measure.

The final measure sees the price of a carton of cigarettes costing \$11, and increases the cost of beer by 25 percent. The new tax on rum stayed at 50 cents per bottle, or \$6 per case.

On real estate, residents claiming exemptions will not be able to reduce their property tax bill below \$360. However, an individual who makes less than \$30,000 annually, or a family earning less than \$50,000 annually, will be exempted from the new minimum base of \$360.

Timeshare unit owners will be charged a tax of \$25 per day. The hotel occupancy tax of 12.5 percent will also be assessed on the overall cost of the unit.

In an effort to gauge the bill's performance, an amendment by Senator Neville James appropriates \$25,000 to the Bureau of Economic Research to study the sin taxes' effect on the economy. The amendment was objected by Sen. Alicia Hansen, who said there was no need for that assessment. Her comments were bolstered by that of Sen. Positive Nelson, who contended that the analysis should have been done before the measure was adopted, not after.

Another amendment from Mr. James seeks to set aside \$600,000 from the Tourism Advertising Revolving Fund for marketing specifically geared towards highlighting the U.S.V.I. as a duty free shopping hub. During the sin tax bill's [hearing in the Committee on Rules and Judiciary](#), amendments aimed at cutting government spending were adopted. They include a reduction in the use of government vehicles by 30 percent; the use of

teleconferencing where possible to minimize travel, and the halting off overnight stays at hotels for government officials during holidays, among other provisions.

© Viconsortium 2026