

The Virgin Islands Consortium

Tregenza Roach Explains 'No' Vote On Sin Tax And Property Tax Bills

VIC News / **Published On March 03, 2017 01:04 PM /**

Staff **March 03, 2017**



Senator Tregenza Roach has released the following explanation of his position on Bills No. 32-0005 (the sin tax bill) and No. 32-0007 (property taxes) passed in the most recent [session of the 32nd Legislature](#):

“The conversation about the bills passed in the most recent Session of the 32nd Legislature, including the one which proposes to tax some tobacco products, beer, and other alcoholic beverages, commonly referred to as the “sin tax” bill, seems to have disintegrated into one simply about who voted “yes” and who voted “no”, with those of us on the “no” side being chastised about not putting forth alternatives.

"As one of the Senators who voted "no", I offer these remarks because I just wanted to share with you some context, so that you might see that the conversation is much more in-depth than that. At the heart of this conversation is the question of who is leading the legislative agenda—the Governor or the members of the Legislature.

"First, I should explain that there were two bills which passed and now which may soon be signed into law—the one on the aforementioned tobacco and alcoholic beverages, but which also includes a tax on time shares, and the other to disallow property owners some of the tax exemptions allowed by law to homesteaders, the disabled, seniors, and Veterans of the armed services.

"I voted no on the property tax bill, 32-0007, because I do not believe that we should deny access to legal exemptions by our veterans, seniors, disabled persons, and homesteaders. Instead, I believe that we should place our emphasis on uncollected taxes, particularly the villa tax, where owners of these valuable properties fail to collect the equivalent of the hotel occupancy tax which is due when these properties are rented, just as when hotel rooms are occupied.

"With regard to the tax on alcoholic beverages, Bill 32-0007, I believe that the tax will be exponential, charged at various levels, because the wholesaler/importer and retailer/restaurant/merchant will want to maintain their same profit margins, so that an initial 25 cents per bottle increase could eventually become a \$1 dollar increase at the final point of sale. This same analysis would apply to other commodities on which the tax will be imposed.

"I also believe that there is some merit to the position put forth by the business community that these taxes can increase the possibility that the tax will thereby spill over to other unintended commodities, thus increasing the prices of multiple items not directly related to the "sin tax" categories. I also believe the tax to be regressive in that it will affect consumption and lower overall gross receipts. In addition, I believe that we must be vigilant against making our destination any less attractive or less a bargain than our competitors, particularly those nearby ones in our region.

"There is no shortage of ideas on other approaches to raise revenue. My proposal to obtain and install traffic enforcement cameras is one example. Other proposals from the Legislature's minority caucus include Senator Positive T. A. Nelson's medical marijuana industry bill, Senator Alicia "Chucky" Hansen's proposals to auction government properties, so as to enlarge the tax base as well as her proposal of a tax on the purchase of luxury items, and Senator Janette Millin Young's proposals to increase collections from the Territory's Airbnb establishments.

"I have just as much faith that the members of the Legislature's Majority also have their own revenue-generating initiatives from which we may all benefit, and so that illustrates the real discussion—leading an economic agenda which comes from ideas born in the Legislature, the first branch of Government, and not simply following the Governor's lead."