The Virgin Islands Consortium

Mapp Administration To Release $20 Million In Tax Refunds

Government / **Published On March 22, 2017 09:48 PM /**

Ernice Gilbert March 22, 2017

ST. THOMAS -- Governor Kenneth Mapp shared some good news at a press conference held here on Wednesday: the release of $20 million in 2015 tax refunds, which is expected in the next few weeks.

The governor made the announcement while making known that his administration has taken steps to prevent layoffs, furloughs and the cutback in government work hours and shortened school weeks. Although Mr. Mapp said the plan would be revised in June, the hope is that with a multiple of actions aimed at raising revenues while lowering costs, government employees would stay on the job and indelible government services would continue unaffected.

"The plan to September 30 also provides for the release and payment of additional income tax refunds," the governor said, speaking of getting through the fiscal year without furloughs and layoffs. "We're not going to finance this deficit on the backs of the taxpayers." Mr. Mapp said his administration would pay the $20 million in 2015 income tax refunds upon the $10 million already issued. And although did not say when the refunds would be released, the governor confirmed that Banco Popular had approved a Revenue Anticipation Note (RAN) of $40 million against 2017 tax collections, which will help the government make refund payments, as well as meet financial obligations to the hospitals and to the Government Employees' Retirement System. The RAN is expected to close in short order.

Last month, former Mapp administration Communications Director Cherie Munchez told The Consortium that it would be reckless of her to talk about tax refunds when the government was struggling to collect monies for day-to-day operations.

"Everyday the government is collecting and spending money. We're running at a deficit at this point; it would be irresponsible of me at this time to make a comment about when we're releasing tax refunds, because we're right now in a liquidity crisis. Liquidity means cash, so we have to have the cash in order to issue the checks," Ms. Munchez said.

Originally, the administration had been seeking $20 million from the RAN, which is backed by property taxes, and would have been used to keep the government operational. But with the administration securing $40 million, $20 million will be released as tax refunds while the remainder will be used for other purposes.

Ms. Munchez's comments followed Department of Finance Commissioner Valdamier Collens's assessment in a wide-ranging exclusive interview on February 1 with The Consortium, where he said that the government may have needed to push back releasing tax refunds as part of a broader cost-cutting effort to keep the government operational.

"I would love to pay tax refunds, and I know I owe it, but I can defer paying those until the cashflow builds up. There's various things that we can do to try, but I think it's a combination of all of that: deferment, reductions, trying to pursue other facilities that might provide cash — it's a combination of things that we are working to achieve," Mr. Collens said during the interview.

Today's announcement will please residents, many of whom have been reaching out to this publication for any news concerning the issuance of refunds.

"We the people of the Virgin Islands would like answers from senators/administration as to what's the purpose of us filing our tax returns and we aren't getting them back. It's best they let us file in the states," reads a message sent to The Consortium on Tuesday.