

The Virgin Islands Consortium

Bureau Of Internal Revenue Warns VI Residents Against Filing Income Tax Returns With IRS

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Governor Kenneth Mapp at BIR on St. Croix, paying taxes

Bureau of Internal Revenue (BIR) Director Marvin Pickering reminded residents of the territory on Friday that they are required to file their individual income tax returns with BIR and not the Internal Revenue Service (IRS).

“Bona fide residents of the Virgin Islands must not file their individual income tax returns, electronically or by mail, with the Internal Revenue Service,” Mr. Pickering warned. He said such an action would be a violation of law.

According to BIR, the income tax return is only considered filed on the date that it is received by BIR, not the date received by the IRS. BIR said taxpayers who receive what the Bureau called erroneous refunds from the IRS will have to repay the refund issued by the IRS, and will be subject to penalties and interest. The due date for tax returns this year is Tuesday, April 17, 2018.

Self-employed taxpayers are required to file two tax returns: The individual income tax return, which utilizes the 1040 form, and the self-employment tax return, which utilizes the 1040SS form.

The self-employment tax return should be submitted to the IRS, BIR said, adding that residents should not include payment of self-employment taxes on form 1040, which is filed with the Bureau.

Mr. Pickering stressed that there is no electronic filing in the USVI; taxpayers must submit or mail the returns to the Bureau for processing.

For more information about filing requirements for bona fide residents, call the Office of Chief Counsel at 715-1040, ext. 2249 or 714-9312.

Feature Image: Governor Kenneth Mapp at BIR on St. Croix, paying taxes in January, 2015. (Credit: Government House)