

The Virgin Islands Consortium

B.I.R. Announces New Gross Receipt Tax Rate For Medicare And Medicaid Reimbursements

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The Bureau of Internal Revenue announced on Friday -- specifically to the medical community -- the enactment of the 2.5 percent gross receipts tax rate on Medicaid and Medicare reimbursements. Act 8055 went into effect in June, pursuant to an override of the governor's veto of the original Bill No. 32-0147. The effective date of the new rates is June 14, 2018, according to the release.

Form 720MED is now available to use for the sole purpose of filing and paying the reduced tax rate on the Medicaid and Medicare reimbursement payments, according to the release. With the implementation of this form, physicians and health care facilities will now file two separate gross receipts returns. All other gross receipts tax payments should

be made on the regular gross receipts tax form and paid at the 5 percent tax rate, B.I.R. said.

Form 720MED is due thirty days after the month concerned, according to the release. Forms can be downloaded and printed from the Bureau's website at www.bir.vi.gov. Taxpayers with questions concerning this form can contact the Office of Chief Counsel at (340) 714-9312

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