

**BIR Informs Taxpayer of Gross Receipts Changes**

Gizette L. Thomas, Director of the Virgin Islands Bureau of Internal Revenue, informs gross receipts taxpayers that Act No. 7015 was signed by Governor John P. deJongh on September 17, 2008. This law provides relief for small business taxpayers in the area of the gross receipts tax. Taxpayers with gross receipts of less than \$225,000 are now eligible for the monthly standard gross receipts exemption. The standard exemption of \$5000 has been increased to \$9000 per month.

According to Director Thomas, this new law will affect gross receipts returns beginning with the September 2008 monthly gross receipts return. The annual gross receipts returns, which are due on January 30, 2009, will also be affected, beginning with the month of September 2008.

When filing the monthly gross receipts tax returns, taxpayers who have gross receipts of less than \$150,000 will be eligible for the \$5000 per month exemption up until the month of August. The August return is due on September 30. Director Thomas cautioned taxpayers that the new changes are effective for the month of September.

Beginning September 1, 2008, taxpayers with gross receipts that are less than \$225,000 will be eligible for the \$9000 per month exemption. The September gross receipts tax return is due October 30, 2008. There is no retroactive effect of this amendment; therefore no taxpayer will

be eligible for the \$9000 per month exemption prior to the filing of the September 2008 return. Taxpayers who may have erroneously taken the exemption amounts on prior months' gross receipts returns prior to the effective date of this amendment will receive a bill for the additional tax, penalties and interest owed.

Forms are being updated, but in the interim, taxpayers are asked to use the existing forms and include the correct exemption amount. Taxpayers with questions concerning this amendment are asked to contact Tamarah Parson-Small, Chief Counsel at (340) 714-9312.