

April 28, 2011

**VIRGIN ISLANDS BUREAU OF INTERNAL REVENUES ISSUES ADVISORY ON
WITHHOLDING TAXES**

Director of the Virgin Islands Bureau of Internal Revenue Claudette Watson-Anderson today reminded employers of the requirements for filing withholding taxes in the Virgin Islands. Form 941VI, Employers Quarterly Virgin Islands Tax Return, is due on the last day of the month following the end of each quarter. The actual due dates are April 30, July 31, October 31 and January 31.

Employers must report all wages paid during the quarter on the quarterly returns. Employers must also pay the withholding tax deposits throughout the quarter, based on the appropriate deposit schedule. Employers are monthly, semiweekly, or next day depositors based on the schedule. All deposits should be made when they are due to avoid the imposition of penalties and interest.

On Wednesday, the BIR began mailing withholding tax bills to employers, including those employers who may have paid the withholding tax in full, but did not do so in a timely manner. These employers will be subject to failure to deposit penalties and interest, and the bills will reflect these amounts. Taxpayers who have properly and timely filed and paid these taxes, but receive a bill, are advised to contact the Bureau's office immediately to ensure that records are updated.

Employers who withhold income taxes from the employees and fail to remit them to the Bureau will also be subject to failure to file and failure to deposit penalties, interest and a trust fund recovery penalty. The trust fund recovery penalty is assessed against the responsible person or persons who the Bureau has determined is responsible for collecting, accounting for, and paying the withholding taxes, but who have willfully failed to remit these payments. All persons who are in such positions are cautioned that these penalties can be assessed against them personally.

Questions concerning withholding taxes should be directed to the Yvonne Nisbett, Chief of Delinquent Accounts and Returns at (340) 773-1040.

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