

BILL NO. 33-0052

Thirty-Third Legislature of the Virgin Islands

April 4, 2019

A Resolution to petition the Governor of the Virgin Islands and the Virgin Islands Delegate to Congress to join the 33rd Legislature in pursuing the return of a portion of the gasoline excise tax collected by the Federal Government

PROPOSED BY: Senator Stedmann Hodge, Jr.
Co-sponsors: Alicia V. Barnes, Oakland Benta,
Marvin A. Blyden, Allison L. DeGazon, Dwayne M. DeGraff,
Novelle E. Francis, Jr., Donna Frett-Gregory, Kenneth L. Gittens,
Myron D. Jackson, Javan E. James, Sr., Steven D. Payne, Sr.,
Janelle K. Sarauw, Athneil “Bobby” Thomas, and Kurt A. Violet

1 **WHEREAS**, the financial condition of the economy of the Virgin Islands is a top
2 priority of the Thirty-Third Legislature of the Virgin Islands;

3 **WHEREAS**, Section 28 of the Revised Organic Act of 1954 requires that an excise tax
4 be collected on all articles coming into the United States from the Virgin Islands;

5 **WHEREAS**, since the passage of the Revised Organic Act and the construction of the
6 Hess Oil refinery on the island of St. Croix, almost \$1 billion has been collected by the Federal
7 Government from the gasoline that was produced at the St. Croix plant;

8 **WHEREAS**, the Virgin Islands Government, because of Section 28, has previously
9 sought through Court action to have the portion of the excise tax collected on gasoline returned
10 to the Government of the Virgin Islands;

1 **WHEREAS**, in the case of *Virgin Islands v. Blumental*, 642 F2d 641 (1980), the United
2 States Court of Appeals for the District of Columbia Circuit ruled in favor of the Secretary of
3 the United States Treasury and determined that the language in section 28a of the Revised
4 Organic Act of 1954 is ambiguous, thus preventing the Virgin Islands from receiving cover
5 over money retained by the United States Government from the petroleum refined products
6 shipped from the Virgin Islands to the United States;

7 **WHEREAS**, at the time the Blumental judgement was entered, there was
8 approximately seven hundred thousand dollars (\$700,000) held in escrow;

9 **WHEREAS**, the United States Supreme Court denied Certiorari on May 18, 1981,
10 leaving the judgement of the Court of Appeals for the District of Columbia Circuit as the
11 standard for interpreting section 28a of the revised Organic Act of 1954;

12 **WHEREAS**, since 1980 the economy of the Virgin Islands has gotten progressively
13 worse due to the cycle of dangerous, serious, and catastrophic hurricanes that have struck the
14 Territory;

15 **WHEREAS**, the Congress of the United States has also enacted unfunded mandates
16 requiring that the Virgin Islands Government provide income tax exemptions that the Territory
17 cannot afford to pay;

18 **WHEREAS**, because of the forgoing reasons and other mandates directed by the
19 collective bargaining process, the Virgin Islands Government has an almost \$2.3 billion deficit;

20 **WHEREAS**, it is imperative that the Federal Government return to the Virgin Islands
21 the revenues that rightfully belong to the Treasury of the Government of the Virgin Islands;

22 **WHEREAS**, the rewards for the pursuit of the funds that rightfully belong to the Virgin
23 Islands Government will certainly put the Territory in a better financial condition and make it
24 more self-sufficient; and

WHEREAS, it is incumbent upon the Legislative and Executive branches of Government to work together to provide revenues and keep the infrastructure of the Virgin Islands functioning, so that it in turn will improve the economy of the Virgin Islands; Now, Therefore,

Be it resolved by the Legislature of the Virgin Islands:

SECTION 1. (a) The Governor of the Virgin Islands, the Honorable Albert Bryan, Jr., and the Virgin Islands Delegate to Congress, the Honorable Stacey Plaskett, are hereby respectfully petitioned to join the Thirty-Third Legislature of the Virgin Islands in pursuing an amendment to the Revised Organic Act of 1954 to amend the language under Section 28a of the Revised Organic Act to provide clearly that a portion of the excise tax collected on gasoline that was produced in the Virgin Islands shall be returned to the Treasury of the Government of the Virgin Islands.

SECTION 2. The Executive Director of the Thirty-Third Legislature shall, immediately upon passage, transmit a copy of this Resolution to the Governor of the Virgin Islands, the Honorable Albert Bryan, Jr. and the Virgin Islands Delegate to Congress, the Honorable Stacey Plaskett.

Bill Summary

This Bill urges the Governor of the Virgin Islands, and the Virgin Islands Delegate to Congress, to join the Thirty-Third Legislature of the Virgin Islands in petitioning the Congress of the United States for an amendment to the Revised Organic Act of 1954 to amend the language to provide clearly that a portion of the excise tax collected on gasoline that was produced in the Virgin Islands be returned to the Treasury of the Government of the Virgin Islands.