Drafted & Reviewed By Legal Counsel

Amendment in the Nature of a Substitute to Bill No. 31-0240

Offered by Senator Jean A. Forde

Bill No. 31-0240 is amended in the following instances:

(a) By striking the title in its entirety and inserting the following:

"An Act amending title 20 Virgin Islands code chapter 38 adding section 426 relating to the regulation of the car rental business providing for a $3.75 Community Surcharge on the rental of drive-yourself rental motor vehicles for allocation to the Government Employees Retirement System, and to allocate monies received as taxes or as a settlement on taxes owed, as in the case Fox Rothschild LLP v. The United States Virgin Islands et al, on fees paid to persons involved in the Prosser-Innovative bankruptcy cases, to the GERS as a contribution to the GERS."

(b) By striking all language after the enactment clause and inserting the following:

"**SECTION 1.** Title 20 Virgin Islands code, Chapter 38 is amended by adding section 426 to read as follows:

'§ 426 Community Surcharge

(a) There is imposed on the rental of every drive-yourself car in the Virgin Islands a Community Surcharge as provided in this section.

(b) Every person who rents a drive-yourself car in the Virgin Islands, in addition to paying the motor vehicle rental surcharge imposed under section 425, shall pay a $3.75-per day Community Surcharge for each rental.

(c) The licensee shall indicate the amount of the surcharge as a separate item on the statement of charges given to the person who rents a drive-yourself car. The licensee shall make the reports and payments at such intervals as the Director of the Bureau of Internal Revenue requires.

(d) Title 33 Virgin Islands Code, section 45 (penalty for failure to report or pay taxes; arbitrary assessment by the Director; waiver of penalties), section 48 (taxpayers' records) and section 53(a) (penalties) apply to the regulation of this section.

(e) The Director of the Bureau of Internal Revenue shall disburse all amounts collected under this section to the Government Employees Retirement System to be applied to any unfunded liability that the System is obligated to fund, and shall submit a report, no later than December 31 of each year, to the Governor and the Legislature detailing the amounts collected and turned over to the GERS, in accordance with this section, during the previous fiscal year.'

SECTION 2. The Commissioner of Finance shall disburse all sums collected by the Government of the Virgin Islands in settlement awards or taxes received from persons involved in the case ***Fox Rothschild LLP*** v. ***The United States Virgin Islands*** *et al*, and other such cases involving persons who were paid fees from representing parties in the Prosser-Innovative Communications bankruptcy matter, to the Government Employees Retirement System to be applied to any unfunded liability that the System is obligated to fund."

BILL SUMMARY

Section 1 of the bill amends title 20, chapter 38 of the Virgin Islands Code, which governs the regulation of the car rental business. Under existing law, a $3.75 motor vehicle rental surcharge is imposed on the rental of each drive-yourself rental motor vehicle. Section 1 of this bill would impose an additional $3.75 per day tax on each rental.

Section 2 of the bill requires the Commissioner of Finance to cover over to the GERS all monies collected in settlement awards or taxes received from persons involved in the Fox Rothschild LLP v. The United States Virgin Islands *et al* and such other cases involving the Prosser-Innovative Communications Bankruptcy case.

Amendment No. 31-967/April 21, 2016/AA