



## CONTACT US:

***Inland Revenue Department***  
Central Administration Complex  
33 Admin. Drive  
P.O. Box 4634  
Road Town, Tortola VG 1110,  
British Virgin Islands  
Telephone: (284) 494-3701 Ext. 2155  
Fax: (284) 494-6516

***Vanterpool's Building***  
The Valley, Virgin Gorda VG1150  
British Virgin Islands  
Telephone: (284) 468-6564  
Fax: (284) 468-6501

***Office Hours: 8:30 a.m to 4:30 p.m***  
***(Monday to Friday except on Public Holidays)***

**Email: [bvitaxes@gov.vg](mailto:bvitaxes@gov.vg)**  
**Website: [www.ird.gov.vg](http://www.ird.gov.vg)**

**District Office** (officers will be available to assist you  
on the ***third Wednesday*** of each month)  
***Settlement, Anegada VG 1140***  
British Virgin Islands  
Telephone No. (284) 495-8048

**District Office** (Officers will be available to assist you  
on the ***third Friday*** of each month)  
***Great Harbour, Jost Van Dyke VG 1160***  
British Virgin Islands  
Telephone No. (284)495-0241

*Inland Revenue Department*  
*June 2012*



**YOUR GUIDE TO**

# **SELF-DRIVE MOTOR VEHICLE RENTAL TAX**



**PREPARED BY:**

**INLAND REVENUE DEPARTMENT**

**MINISTRY OF FINANCE**

**GOVERNMENT OF THE VIRGIN ISLANDS**

The Commissioner of Inland Revenue is responsible to the Government of the Virgin Islands for the collection of tax. The Inland Revenue Department, headed by the Commissioner, is staffed with various units (Administration, Assessment, Collection, Taxpayer Services, Valuation and Audit).

To assist you, our taxpayers, in becoming and remaining in compliance with the Self-Drive Motor Vehicle (Rentals) (Taxation) Act, 1986 and its amendment, we have carefully prepared this guide for you.

If after reviewing this guide, you find that there are still areas that you do not quite understand, we encourage you to contact us at any of the locations listed on the back of this guide and we will promptly respond to your inquiry or inquiries.

### **1. Which tax is this?**

This is Self-Drive Motor Vehicle Rental Tax

### **2. Do I need to register for a Self-Drive Motor Vehicle (Rental) Tax Account?**

Every proprietor shall, within thirty days of the first date after the commencement of the Miscellaneous Amendment (SIGTAS) ACT, 2005 on which he becomes liable for the payment of tax, register with the Commissioner and provide such information to the Commissioner as may be required to give effect to such registration.

### **3. Can you tell me about the governing legislation, its purpose and its implementation date? Are there any amendments?**

- a) The Self-Drive Motor Vehicles (Rentals) (Taxation) Act, 1986.
- i) To make provision for the levy and

recovery of a tax from certain persons who carry on business of renting or hiring of Self-Drive Motor Vehicle for a fee or reward, and for matters connected therewith or incidental thereto.

ii) This Act was implemented in 1986.

b) The Miscellaneous Amendment (SIGTAS) Act, 2005

i) To amend various legislations in order to facilitate the tax computerized system (SIGTAS)

ii) This amendment was implemented on 1st January, 2006.

### **4. What is the tax base for Motor Vehicle Rental Tax?**

The tax base is the figure to which the tax rate is applied. In reference to Self-Drive Motor Vehicle Rental Tax, the tax base is that portion of the amount collected that is taxable. The tax base is calculated by taking into account the basic rental or hire charges made to the hirer or renter in respect of the hire or rental of the motor vehicle, and any other services rendered to such person in respect of such hire or rental.

### **5. What is the tax rate?**

The tax rate is five (5) percent

### **6. What about submission of returns and payment of tax due?**

Every proprietor liable for tax, shall, no later than **fifteen days after the end of each month** for which tax is due, deliver to the Commissioner a return reporting the amount of tax due for that month and such other information as the Commissioner may require on the return; and pay to the Commissioner the amount of tax due.

### **7. What can you tell me about penalties and Interest?**

#### **a) Penalties**

Any proprietor who fails to file the return required under this act on or before the date that it is due shall be liable to pay a penalty equal to twenty percent in addition to any other amounts for which he may be liable under this Act.

#### **b) Interest**

If any amount in respect of tax is not paid by the due date, interest on the amount owing shall be charged commencing from the due date to the date the amount is paid at the rate of four (4) percent per annum.

In the case of tax due under a re-assessment, the due date for the commencement of the calculation of interest shall be the date on which the tax, fee or license was due under the original assessment. In this section tax includes any penalty imposed under this Act.

