



**GOVERNMENT OF
THE VIRGIN ISLANDS OF THE UNITED STATES**
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VIRGIN ISLANDS BUREAU OF INTERNAL REVENUE



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**BIR INFORMS PHYSICIANS AND
HEALTH CARE FACILITIES OF NEW
GROSS RECEIPTS TAX RATE FOR
MEDICAID AND MEDICARE REIMBURSEMENTS**

Marvin L. Pickering, EA, PHR, Director of the Virgin Islands Bureau of Internal Revenue, informs the medical community of the enactment of the 2.5% gross receipts tax rate on Medicaid and Medicare reimbursements. Act 8055 went into effect in June, pursuant to an override of the Governor's veto of the original Bill No. 32-0147. The effective date of the new rates is June 14, 2018.

Form 720MED is now available to use for the sole purpose of filing and paying the reduced tax rate on the Medicaid and Medicare reimbursement payments. With the implementation of this form, physicians and health care facilities will now file two separate gross receipts returns. All other gross receipts tax payments should be made on the regular gross receipts tax form and paid at the 5% tax rate.

The new Form 720MED is due thirty days after the month concerned. Forms can be downloaded and printed from the Bureau's website at www.bir.vi.gov. Taxpayers with questions concerning this form can contact the Office of Chief Counsel at (340) 714-9312.

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