

# VIRGIN ISLANDS BUREAU OF INTERNAL REVENUE



1

**Joel A. Lee, CPA, CGMA, CFE**  
**Director**

# **WELCOME**

## **INTRODUCTION OF ATTENDEES**

## **PURPOSE OF THIS PRESENTATION**

# MISSION

**To administer and  
enforce the tax laws  
of the Virgin Islands.**

# TITLE 33 V.I.CODE SEC. 42

- Manufacturers are required to pay excise tax on goods manufactured in the VI, unless otherwise exempted.
- There is no Excise Tax on goods manufactured in the VI which are sold to purchasers who take delivery and actual possession outside of the VI.

# WHAT IS A MANUFACTURED GOOD?

- The transformation of goods or wares (physical or chemical) by manual labor or machinery into new products.
- Manufacturing activities are those described in the North American Industrial Classification System (NAICS) codes under sections 11, 31, 32 and 33.
- For more details regarding the NAICS codes please visit the following website:
  - <https://www.naics.com/naics-search-results/>

# WHAT ARE THE TAX RATES?

- The excise tax rates on locally manufactured goods and imported goods are the same.
- The rates can be found in Title 33 VI Code section 42(a).

# GOODS IMPORTED TO BE USED IN MANUFACTURING

- Information is submitted using the Excise Web Portal  
<https://excise.bir.vi.gov>
- Excise Tax on imported raw materials to be used in manufacturing will be deferred until the time of sale of the manufactured product.

# CONTAINER TAX

- **The tax deferral granted for importation of raw materials used in the manufacturing process is not applicable for the container tax. The container tax is due at the time of importation.**



## ITEM NUMBERS FOR GOODS IMPORTED TO BE USED IN MANUFACTURING

ITEM NUMBER	DESCRIPTION OF ITEM
M24	Raw material used in the production of food stuff
M28	Raw material used for packaging made in the VI: such as paper, plastic, glass, etc.
M33	Raw material used in the production of tobacco and cigars
M35	Raw material used in the production of beer
M36	Raw material used in the production of carbonated beverages
M47	Raw material used in the making of clothes
M55	Raw material used in the production of rugs
M56	Raw material used in the construction business, and for screens, cabinets, etc.
M59	Raw material used in the production of soaps, detergents, and toilet preparations
M60	Raw material imported for manufacturing purposes for which no specific tax category exist

# EXAMPLE OF AN IMPORT RETURN CONSISTING OF RAW MATERIALS



Virgin Islands Bureau of Internal Revenue - Excise Tax Division

Due \$0.00, Payments \$0.00, Balance \$0.00

721VI

SSN/EIN	Business	First Name	MI	Last Name	Organization	DBA		
123456789	<input type="checkbox"/>	SAMPLE		IMPORTER				
Address		Address	City	ST	Zip	Phone		
#1 NISKY CENTER			ST. THOMAS	VI	00999			
BL / AWB	Arrival Date	Carrier	Origin	Voyage No	Entry Port	Port of Lading		
TFWG543210	09/28/2018	MV RUNNER		V-364	Crown Bay - St. Thomas	FAJARDO, PR		
Inv Date	Invoice #	Description	Category	Net Value	Net + 5%	Tax Rate	Tax Due 1	Cases/Contai...
09/26/2018	98765	PLYWOOD	M56	\$2,000.00				

Save
 New 721vi
 Check Out
 Print 721

Taxpayer Found

Tax Due 1	Tax Due 2	Credit	Total Tax
\$0.00	\$0.00	\$0.00	\$0.00

Clear Form
 Cancel All

Remove   SSN/EIN Submitted BL / AWB Name Tax 1

# FILING FORM 721VI FOR GOODS MANUFACTURED IN THE VIRGIN ISLANDS

- The excise tax is applicable in the month the item is sold.
- The tax is calculated based on a 5% mark-up of the manufacturing cost multiplied by the applicable tax rate.
- All manufacturers including those with EDC benefits are required to file Form 721VI along with the manufacturing cost worksheet (Form 721VI MWKS) 30 days after the close of the month concerned.

# EXAMPLE FORM 721VI MWKS

FORM 721VI MWKS

GOVERNMENT OF THE VIRGIN ISLANDS  
BUREAU OF INTERNAL REVENUE

MANUFACTURER	SAMPLE MANUFACTURER INC.	EIN/SSN	123456789	CURRENT MONTH	DEC	20	18
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### Calculation of Manufacturing Cost Worksheet (To be attached to Form 721VI Monthly filing)

Manufacturing cost is the cost of direct materials used + direct labor used + manufacturing overhead.

Please complete for the units sold during the month concerned.

ITEM NO.	DESCRIPTION OF MERCHANDISE	A Total Units Sold	B Mfg. Cost per Unit (1)	C Total Mfg. Cost (2)	D Total Sales	E <b>Gross Profit %</b>
056	CABINETS	10	\$50.00	\$500.00	\$1000.00	100%
056	DOORS	20	\$30.00	\$600.00	\$ 900.00	50%
TOTAL SALES						

(1) Manufacturer is required to provide calculation of manufacturing cost per unit.

(2) Transfer the total of each item code and category of goods manufactured in column C to the net

# INSTRUCTIONS FOR COMPLETING FORM 721VI MWKS

- (Use as many worksheets as needed to report each month's manufacturing activity)
- Manufacturer – include the name of the business entity submitting the return
- EIN/SSN -Insert the Employer Identification Number of the business entity or the Social Security number of the sole proprietor
- Current Month and year – the month and year for which the manufacturer's goods were sold
- Item Number – select the appropriate code number from the drop down box
- Description of Merchandise – provide accurate description of the items manufactured

# INSTRUCTIONS FOR COMPLETING FORM 721 MWKS (CONTINUED)

- A. Total Units Sold – Insert the total units of the item described that were sold during the month being reported
  - B. Manufacturing Cost Per Unit – Provide the cost price for manufacturing one unit of item described. Be sure to secure all documents and calculations in the event of an excise tax audit.
  - C. Total Manufacturing Cost – Items sold times the manufacturing cost per unit
  - D. Total sales – Provide the total sales generated from the sale of the manufactured item during the month reported
  - E. Gross Profit % - Total sales less the total manufacturing costs divided by the manufacturing cost
- 
- The total of all manufacturing costs for each item code and category of goods manufactured for the month will be transferred to the Form 721VI, in the “net invoice value” field. The Form 721VI will be used to calculate and pay the excise tax per month.
  - **Attach** sales invoices for all manufactured products sold for the month, including those sales that are exempt from Excise Tax

## NO SALES ACTIVITY?

- For instances where there are no sales activities of locally manufactured goods for the month, Form 721VI must still be filed using code “M00” in the Item Number field.

# WHAT ARE THE RATES FOR LATE PAYMENT?

**Penalty rate is 5% per month, up to 25%**

**Interest owed for late filing and/or payment is 1% per month, until paid.**



# HOW TO CREATE AN EXCISE WEB ACCOUNT

## Step 1: Navigate to website

A. Open a browser preferably Firefox or Chrome.

B. Go to the address <https://excise.bir.vi.gov>



## Step 2: Complete registration form

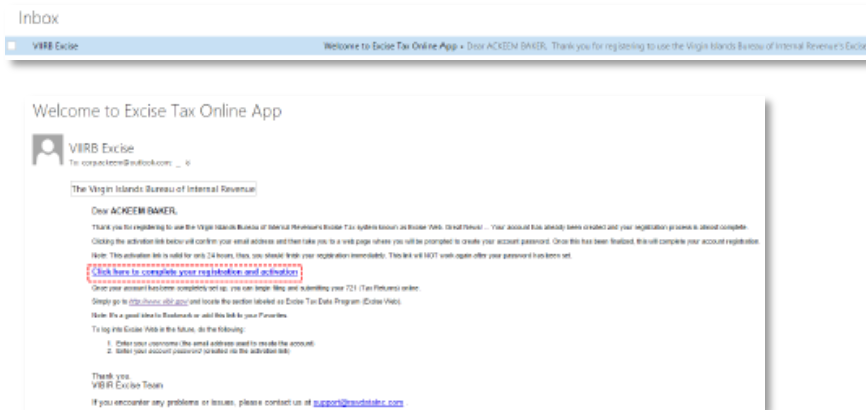
A. Click the "Register" button.

B. Fill out the form with our in- formation.

C. Click the "Register" button.

The screenshot shows the 'Login' form. It has fields for 'Email:' and 'Password:', each with a placeholder text 'Email address' and 'password' respectively. Below these fields is a 'Remember me:' checkbox and a link 'Forgot Email/Password?'. At the bottom right, there are two buttons: 'Register' and 'Sign In'. The 'Register' button is highlighted with a red dashed border.The screenshot shows the 'Register' form. It is divided into two main sections: 'Identification' and 'Contact Information'. The 'Identification' section includes a 'Tax Payer Type' dropdown (set to 'Individual Tax Payer'), an 'SSN' field with a 'digits only' placeholder, and 'Name' fields for 'First' and 'Last'. The 'Email' field has a placeholder 'Email address' and a 'Verify' field with a placeholder 'Please type again email address'. The 'Contact Information' section includes 'Street Address', 'Phone Number' with a 'digits only' placeholder, 'Zip' with a placeholder 'XXXX-XXXX', 'City', and 'State'. At the bottom right, there is a 'Register' button. A red arrow points to this button.

- A. Navigate to the email inbox you entered on the registration form.
- B. Click the link “Click here to complete your registration and activation” link as instructed.



#### Step 4: Create a valid password

The first screenshot shows the "Set new password" dialog box with the "New Password" field containing "new password" and the "Confirm Password" field containing "new password verification". Below the fields, the "Password complexity requirements:" are listed with red error icons and text: "Must be at least 8 characters long" and "Must contain below character types (all 4):". The character types are: Upper Case, Lower Case, Number, and Non-alpha numeric (!@#%). The second screenshot shows the same dialog box, but the password fields now contain masked text (dots). The password complexity requirements are now shown with green checkmark icons, indicating that the password meets the requirements.

DONE!

# HOW TO SUBMIT A 721VI VIA EXCISE WEB

Navigate to the Excise website

A. **Open** a browser preferably Firefox or Chrome.

B. **Enter** the address  
<https://excise.bir.vi.gov>



Login into your account

A. **Enter** the email and password used to register in the fields provided.

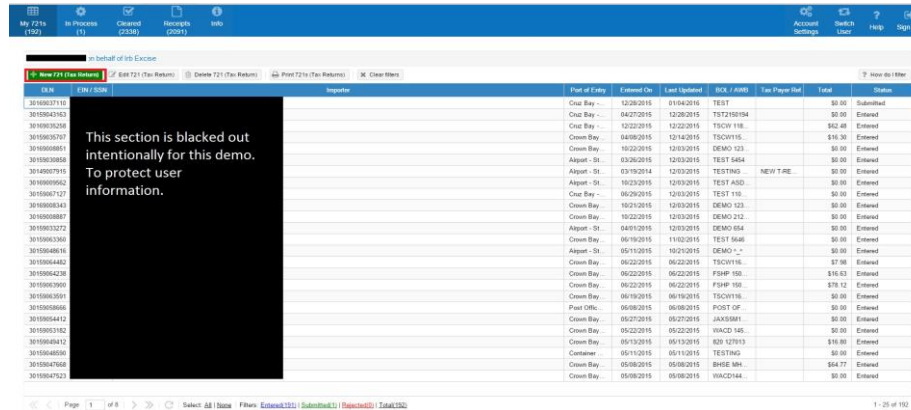
B. **Click** the "Sign In" button.

A screenshot of the login form. It has a title "Login". Below it are two input fields: "Email:" with the value "johndoe@example.com" and "Password:" with a masked password "\*\*\*\*\*". There is a "Remember me:" checkbox which is unchecked. Below the password field is a link "Forgot Email/Password?". At the bottom right, there are two buttons: "Register" and "Sign In". The "Sign In" button is highlighted with a red border.

CONTINUE

## Create new 721 Tax Return

A. Now that you have signed in **click** on the “New 721 (Tax Return)” button. **+ New 721 (Tax Return)**



The screenshot shows the software's main menu with a blue header. The 'New 721 (Tax Return)' button is highlighted in green. Below the menu, a table lists various tax return entries. A large black box with white text is overlaid on the left side of the table, stating: 'This section is blacked out intentionally for this demo. To protect user information.'

SN	PN / SN	Importer	Port of Entry	Entered On	Last Updated	ROLL / AIMS	Tax Payer Ref	Total	Status
3010002116		Cruz Bay -		12/20/2015	01/16/2016	TEST		\$0.00	Submitted
3010002163		Cruz Bay -		04/27/2015	12/20/2015	TS72181984		\$0.00	Entered
3010002020		Cruz Bay -		12/22/2015	12/22/2015	TSCW 118		\$62.48	Entered
30100030207		Crown Bay		04/09/2015	12/14/2015	TSCW115		\$16.30	Entered
3010000001		Crown Bay		10/22/2015	12/13/2015	DEMO 123		\$0.00	Entered
3010000008		Alquist - St.		03/26/2015	12/13/2015	TEST 8484		\$0.00	Entered
3010007915		Alquist - St.		03/19/2014	12/13/2015	TESTING - NEW TARE		\$0.00	Entered
3010000062		Alquist - St.		10/23/2015	12/13/2015	TEST A8D		\$0.00	Entered
3010007127		Cruz Bay -		06/26/2015	12/13/2015	TEST 110		\$0.00	Entered
3010000343		Crown Bay		10/21/2015	12/13/2015	DEMO 123		\$0.00	Entered
3010000087		Crown Bay		10/22/2015	12/13/2015	DEMO 212		\$0.00	Entered
3010002272		Alquist - St.		04/11/2015	12/13/2015	DEMO 168		\$0.00	Entered
3010003360		Crown Bay		06/19/2015	11/10/2015	TEST 848		\$0.00	Entered
3010004816		Alquist - St.		05/11/2015	10/21/2015	DEMO 123		\$0.00	Entered
3010004442		Crown Bay		06/22/2015	06/22/2015	TSCW115		\$7.96	Entered
3010004238		Crown Bay		06/22/2015	06/22/2015	F5HP 100		\$16.83	Entered
3010003900		Crown Bay		06/22/2015	06/22/2015	F5HP 100		\$78.12	Entered
3010003091		Crown Bay		06/19/2015	06/19/2015	TSCW115		\$0.00	Entered
3010000004		Port Office		06/08/2015	06/08/2015	POST 01		\$0.00	Entered
3010000442		Crown Bay		05/27/2015	05/27/2015	JAXS881		\$0.00	Entered
3010003162		Crown Bay		05/22/2015	05/22/2015	WACD 145		\$0.00	Entered
3010000412		Crown Bay		05/13/2015	05/13/2015	820 127193		\$16.86	Entered
3010004000		Container		05/11/2015	05/11/2015	TESTING		\$0.00	Entered
3010004760		Crown Bay		05/08/2015	05/08/2015	BHCE 104		\$64.77	Entered
3010004723		Crown Bay		05/08/2015	05/08/2015	WACD144		\$0.00	Entered

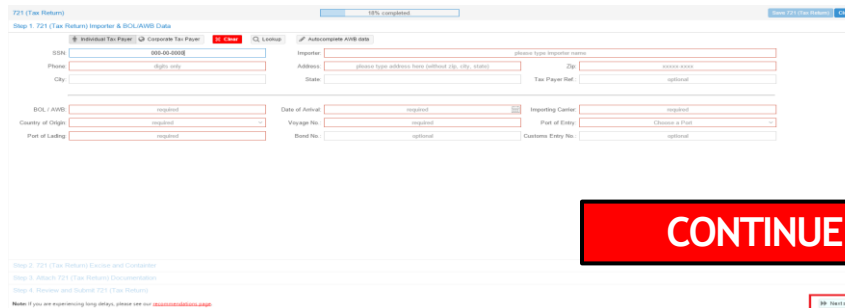
## Complete form (STEP1)

A. **Complete** the form presented using the information provided by your carrier. All of the fields surrounded by a **red border** are required.

*If you are a Manufacturer of goods and are filing your monthly Excise Tax Return, please use the instructions on the next page to complete the form.*

*If not, then continue to complete the form as usual.*

B. **Click** the “Next Step” **Next step** to proceed when you're done.



The screenshot shows the '721 (Tax Return)' form, Step 1: Importer & ROLL/AIMS Data. The form is divided into two main sections: 'Individual Tax Payer' and 'Adopt Complete AIMS data'. The 'Individual Tax Payer' section contains fields for 'SN', 'Phone', 'City', 'Address', 'State', 'Zip', 'Tax Payer Ref', 'Date of Arrival', 'Reporting Center', 'Port of Entry', and 'Customer Entry No'. The 'Adopt Complete AIMS data' section contains fields for 'Roll / AIMS', 'Country of Origin', 'Port of Entry', 'Voyage No', 'Bond No', and 'Reporting Center'. A large red arrow points to the 'Next Step' button at the bottom right of the form.

## Complete form (STEP1 cont.)

### Instructions for the Monthly Excise Tax Return for Manufacturers of Goods in the VI

A. When preparing a return for manufacturing; In the field requiring a Bill of Lading, Please use this format:

MAN-TaxPeriod-SSN\ EIN

*For example MAN-11-30-2018-123456789*

B. For the Port of Entry, please select the "Manufacturing Port" for the island where the goods were made.

C. The Importing Carrier will be your name or the name of your business.

D. The Country of Origin will be VI.

E. Your Port of Lading and Voyage Number should both be MAN in VI


F. Proceed to the next step once finished.

*The rest of this page was left blank intentionally.*



CONTINUE

## Complete form (STEP2)

- A. This section requires you to enter the description of the merchandise being imported or manufactured. **Fill** in the information then proceed to the “next step” by clicking 
- B. **For Manufacturers:** your invoice date and number will be the last day of the month for which you are filing. *e.g. 11-30-2018*





Step 2: 721 (Tax Return) Excise and Container

Description of Merchandise	Item No.	Invoice Date	Invoice No.	Net Invoice	No. of Containers	Net + 1%	Tax Rate	Tax Per Container	Total Tax
ASDFADSF	020	01/04/2016	55446	\$5,544.00	0	\$5,671.20	0%	\$0.00	\$0.00
				\$0.00	0	\$0.00	0%	\$0.00	\$0.00


Total Tax: \$0.00

Step 3: Attach 721 (Tax Return) Documentation  
 Step 4: Review and Submit 721 (Tax Return)

Note: If you are experiencing long delays, please see our [documentation page](#)

## Complete form (STEP 3)

- A. This section requires you to upload any supporting documentation provided by your carrier, retailer, and/or distributor. Click the “Add Files” button  to add the documents to the form.



*Please note: Only PDF, JPEG & TIFF are supported. Also all supporting documents must be up- loaded if you intend to use the “Online Pay” function.*

**Manufacturers:** upload your worksheets, form 721VI MWKS, and all sales invoices for the month being reported.

Step 3: Attach 721 (Tax Return) Documentation

Upload New Documents (TIFF, JPEG or PDF supported)

Drag files here.




  0 b 0%

Uploaded documents:

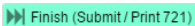
Document	Uploaded On
No documents uploaded	

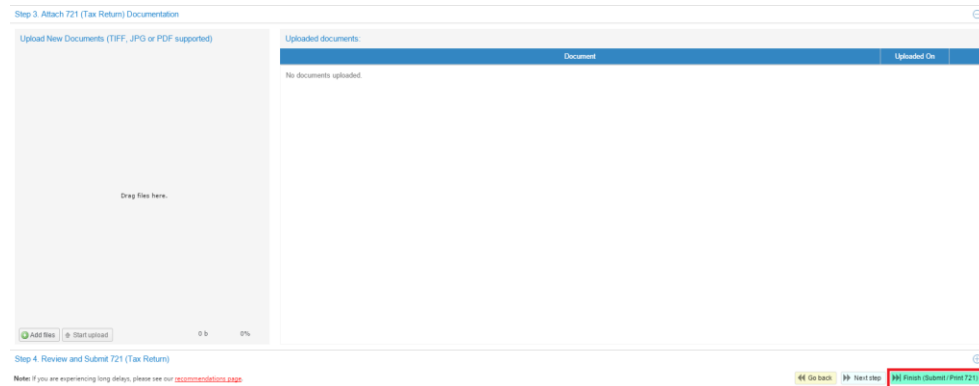
Step 4: Review and Submit 721 (Tax Return)

Note: If you are experiencing long delays, please see our [documentation page](#)

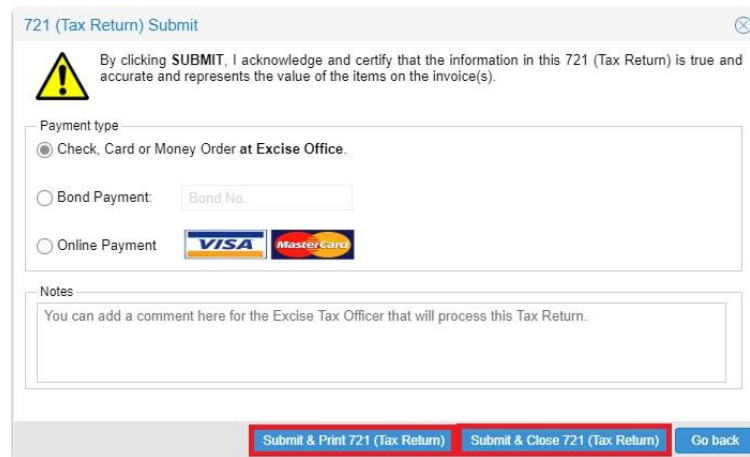
  

**CONTINUE**

A. Once your documents have been attached,  
**click** the “Finish (Submit / Print 721)”  button.



A. Click “Submit & Print 721 (Tax Return)” or “Submit & Close (721 Tax Return)” if you don’t have a printer.



DONE!

**Bureau No.** 30199035478

Bond No. \_\_\_\_\_

Customs Entry No.

**IMPORTER**

SAMPLE MANUFACTURER

EIN/SSN

123456789

**ADDRESS OF IMPORTER (Show Zip Code)**

MANUFACTURER'S ADDRESS ST THOMAS, VI 00802

## PORT OF ENTRY

Manufacturing Port - St. Thomas


[illegible]

\$ ~~\$46.20~~

I declare under the penalty of perjury, that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief this is a true, correct and complete return.

Date 12/14/2018

**Merchandise Received By:**

DATE OF IMPORTATION 12/01/2018	IMPORTING CARRIER/VESSEL SAMPLE MANUFACTURER	TAXPAYER REFERENCE
COUNTRY OF ORIGIN VI	FLIGHT NO./VOYAGE NO. MAN	VERIFICATION CODE
PORT OF LADING MAN IN VI		

**OFFICIAL USE ONLY**

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P	
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E30199035478P1D



WHERE TO SUBMIT QUESTIONS?

[etax@irb.gov.vi](mailto:etax@irb.gov.vi)

# QUESTIONS??