

BILL NO. 30-0177

Thirtieth Legislature of the Virgin Islands

July 30, 2013

An Act clarifying the provisions of existing law respecting certain exemptions from stamp tax on transfers of real property in specified circumstances

PROPOSED BY: Senator Shawn-Michael Malone

1 **WHEREAS**, Virgin Islands law has long exempted from stamp tax imposed on
2 the transfer of title by operation of law in the case of mergers, consolidations,
3 dissolutions, and similar transactions of corporations, and transfers of title between
4 family members within specified degrees of relation; and

5 **WHEREAS**, Virgin Islands law now provides for mergers, consolidations,
6 dissolutions and similar transactions of limited liability companies; and

7 **WHEREAS**, there is no functional distinction between corporations and limited
8 liability companies as respecting the holding of title to property; and

9 **WHEREAS**, it has been commonplace that transfers of title between family
10 members have been made by and through family trusts; and

1 **WHEREAS**, the statutory exemption from stamp tax for transfers of title between
2 family members has been interpreted for many years as being equally applicable where
3 such transfers were made by and through family trusts; and

4 **WHEREAS**, in order to provide uniform treatment to corporations and limited
5 liability companies with respect to the statutory exemption, and to provide certainty to the
6 longstanding interpretation of law respecting the applicability of the statutory exemption
7 to transfers of title made by and through family trusts; Now, Therefore,

8 ***Be it enacted by the Legislature of the Virgin Islands:***

9 **SECTION 1:** Title 33 Virgin Islands Code Section 128(a) is amended as
10 follows:

11 1. In paragraph (6) after the word “corporations” by inserting the words “or
12 limited liability companies” wherever it appears and after the word “corporation” by
13 inserting the words “or limited liability company” wherever it appears;

14 2. By adding two new paragraphs to read as follows:

15 (9) By deed of conveyance to the trustee or trustees of a trust;
16 provided, however, that the trustee or the beneficiaries of the trust are, with
17 respect to the grantor or grantors, persons in a relationship described in
18 subparagraph (8) of this subsection.

19 (10) By deed of conveyance by a trustee or trustees of a trust; provided,
20 however, that the grantee or grantees are, either the original grantor or grantors or,
21 with respect to the original grantor or grantors of the property to the trust, persons
22 in a relationship described in subparagraph (8) of this subsection.

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Bill Summary

This bill provides exemption with respect to deeds incident to consolidation of limited liability corporations and trustees who are original grantors and the transfer is between designated familial parties.

BR13-0718/July 30, 2013/