COMMITTEE ON BUDGET, APPROPRIATIONS AND FINANCE

BILL NO. 36-0284

Thirty-Sixth Legislature of the Virgin Islands

May 8, 2026

An act amending title 33 Virgin Islands Code, subtitle 1, part 1, chapter 3, by adding a section 43m relating to an exemption from gross receipts and excise taxes of all prescription medications dispensed by a pharmacy

PROPOSED BY: Senator Avery L. Lewis
Sponsor: Angel L. Bolques, Jr.

WHEREAS, there is an increasing financial burden placed on residents of the Virgin Islands by the taxation of prescription medications imported into the territory;

WHEREAS, gross receipts and excise taxes applied to prescription drugs raise the cost of medically necessary treatments and disproportionately impact seniors, individuals with chronic illnesses, and low-income households;

WHEREAS, these taxes can discourage medication adherence and contribute to preventable health complications, ultimately increasing long-term healthcare costs to individuals and the public;

WHEREAS, the cost of prescription medications is a significant expense for residents of the Virgin Islands and represents a barrier to timely access to essential healthcare;

WHEREAS, federal and territorial law already regulate prescription medications to ensure they are dispensed only under the supervision of licensed healthcare providers and pharmacists, ensuring patient safety;

WHEREAS, taxing prescription medications increases the cost of healthcare for patients and families, placing an undue financial burden on those requiring medically necessary treatments;

WHEREAS, exempting prescription medications from gross receipts and excise taxes promotes public health, reduces healthcare costs, and aligns the Territory's tax policy with the goal of ensuring access to essential medications for all residents; and

WHEREAS, it is the policy of the Government of the Virgin Islands to encourage equitable and affordable access to prescription medications while maintaining proper administration of the territory's tax laws; Now, therefore,

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. Title 33 Virgin Islands Code, subtitle 1, part 1, chapter 3, is amended by adding the following section 43m:

§43m. Exemption from gross receipts and excise taxes for medications dispensed by prescription.

Any pharmacy, as licensed under title 27 Virgin Islands Code, section 151, shall be exempt from the payment of all gross receipt taxes and excise taxes imposed by the Government of the Virgin Islands on all medications dispensed by prescription that are imported into the Virgin Islands.

Bill Summary

This bill seeks to amend title 33 Virgin Islands Code, subtitle 1, part 1, chapter 3, by adding a section 43m adding an exemption from gross receipts and excise taxes for all medications dispensed by prescription.

BR26-0986/March 16, 2026/LMW