In determining whether such a Virgin Islands article contains foreign material to the value of more than 20 per centum, no material shall be considered foreign which, at the time the Virgin Islands article is entered, or withdrawn from warehouse, for consumption, may be imported into the continental United States free of duty generally.

(Mar. 3, 1917, ch. 171, § 3, 39 Stat. 1133; Sept. 7, 1950, ch. 909, 64 Stat. 784.)

AMENDMENTS

1950—Act Sept. 7, 1950, permitted free entry of articles into the United States from the Virgin Islands when such articles contain foreign materials which may be imported directly into the United States free of duty.

§ 1395. Tax laws continued; tax on sugar

Until Congress shall otherwise provide all laws now imposing taxes in the said West Indian Islands, including the customs laws and regulations, shall, insofar as compatible with the changed sovereignty and not otherwise herein provided, continue in force and effect, except that articles the growth, product, or manufacture of the United States shall be admitted there free of duty: *Provided*, That upon exportation of sugar to any foreign country, or the shipment thereof to the United States or any of its possessions, there shall be levied, collected, and paid thereon an export duty of $6 per ton of two thousand pounds, irrespective of polariscope test, in lieu of any export tax now required by law: *Provided further*, That the internal revenue taxes levied by the Colonial Council of Saint Croix, or by the Colonial Council of Saint Thomas and Saint John, in pursuance of the authority granted by this section and sections 1391,[1] 1392, 1394, and 1396 of this title on articles, goods, wares, or merchandise may be levied and collected as the Colonial Council of Saint Croix, or as the Colonial Council of Saint Thomas and Saint John, may direct, on the articles subject to said tax, as soon as the same are manufactured, sold, used, or brought into the island: *And provided further*, That no discrimination be made between the articles imported from the United States or foreign countries and similar articles produced or manufactured in the municipality of Saint Croix, or in the municipality of Saint Thomas and Saint John, respectively. The officials of the Customs and Postal Services of the United States are directed to assist the appropriate officials of the municipality of Saint Croix, or of the municipality of Saint Thomas and Saint John, in the collection of these taxes.

(Mar. 3, 1917, ch. 171, § 4, 39 Stat. 1133; Feb. 25, 1927, ch. 192, § 5, 44 Stat. 1235; June 24, 1932, ch. 275, 47 Stat. 333.)

REFERENCES IN TEXT

Section 1391 of this title, referred to in text, was repealed by Pub. L. 89–554, § 8(a), Sept. 6, 1966, 80 Stat. 643.

AMENDMENTS

1932—Act June 24, 1932, inserted provisos permitting local levy of internal revenue taxes, prohibiting discrimination against imports, and directing customs and postal services to assist in collecting taxes.

1927—Act Feb. 25, 1927, reduced export duty on sugar from $8 to $6 per ton.

§ 1396. Duties and taxes covered into Virgin Islands treasury

The duties and taxes collected in pursuance of sections 1394 and 1395 of this title shall not be covered into the general fund of the Treasury of the United States, but shall be used and expended for the government and benefit of the Virgin Islands, under such rules and regulations as the President may prescribe.

(Mar. 3, 1917, ch. 171, § 5, 39 Stat. 1133.)

§ 1397. Income tax laws of United States in force; payment of proceeds; levy of surtax on all taxpayers

The income-tax laws in force in the United States of America and those which may hereafter be enacted shall be held to be likewise in force in the Virgin Islands of the United States, except that the proceeds of such taxes shall be paid into the treasuries of said islands: *Provided further*, That, notwithstanding any other provision of law, the Legislature of the Virgin Islands is authorized to levy a surtax on all taxpayers in an amount not to exceed 10 per centum of their annual income tax obligation to the government of the Virgin Islands.

(July 12, 1921, ch. 44, § 1, 42 Stat. 123; Pub. L. 94–392, § 5, Aug. 19, 1976, 90 Stat. 1195.)

REFERENCES IN TEXT

The income-tax laws in force in the United States of America, referred to in text, are classified to Title 26, Internal Revenue Code.

CODIFICATION

Section is from act July 12, 1921, popularly known as the Naval Service Appropriation Act, 1922.

AMENDMENTS

1976—Pub. L. 94–392 inserted proviso authorizing Legislature of Virgin Islands to levy a surtax, not to exceed 10 per centum, on annual income tax obligation of all taxpayers.

APPLICATION OF WESTERN HEMISPHERE TRADE CORPORATION PROVISION UNDER THE VIRGIN ISLANDS TAX LAWS

Pub. L. 92–178, title III, § 307, Dec. 10, 1971, 85 Stat. 524, provided that for purposes of applying the income tax laws of the United States with respect to the Virgin Islands under this section, subpart C of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 [former 26 U.S.C. 921, 922] (relating to Western Hemisphere Trade Corporations) shall be treated as having been repealed effective with respect to taxable years beginning after Dec. 10, 1971.

§ 1398. Omitted

CODIFICATION

Section, act July 1, 1922, ch. 259, 42 Stat. 788, which related to quarantine and passport fees, was from the Navy Department and Naval Service Appropriation Act, 1923, was not repeated in subsequent years. See section 1642 of this title.

§ 1399. Repealed. Pub. L. 97–357, title III, § 308(b), Oct. 19, 1982, 96 Stat. 1710

Section, acts July 3, 1930, ch. 847, § 8, 46 Stat. 948; July 1, 1932, ch. 370, § 1, 47 Stat. 565, made applicable to the

[1] See References in Text note below.