



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

February 6, 2007

**H.R. 57**

**An act to repeal certain sections of the Act of May 26, 1936,  
pertaining to the Virgin Islands**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on January 31, 2007*

H.R. 57 would repeal sections 1 through 6 of the 1936 Organic Act of the Virgin Islands, which governs the levying of property taxes in the United States Virgin Islands (a territory of the United States). CBO estimates that enacting H.R. 57 would have no impact on the federal budget because it would affect the territory's property taxes and would have no impact on federal revenue.

H.R. 57 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. Enacting this legislation would benefit the government of the Virgin Islands by repealing an existing federal preemption and establishing local authority over the territory's property tax. The long-term impact of this change on tax revenues in the territory would depend on local decisions regarding the structure of the property tax. This legislation would impose no costs on any other state, local, or tribal government.

The CBO staff contacts for this estimate are Matthew Pickford (for federal costs) and Marjorie Miller (for the state and local impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.