

## **\$13.25 Rum Cover-Over Rate Advances in Senate Bill; Bryan, Plaskett and Allies Push to Lock in Billion-Dollar Win**

**The Senate's draft tax bill includes a provision to make the \$13.25 per proof-gallon rum cover-over rate permanent after 2025, following sustained federal advocacy by Governor Bryan, Delegate Plaskett, and allies across both political parties.**

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Governor Albert Bryan Jr. and Delegate to Congress Stacey Plaskett separately announced on Saturday announced a significant breakthrough in the Virgin Islands' long-standing push to make the \$13.25 rum cover-over rate permanent. The U.S. Senate's latest version of the federal tax reconciliation bill — now as President Donald Trump's Big, Beautiful Bill — now includes the provision, a move that could generate over \$1 billion in federal revenues for the U.S. Virgin

Islands and Puerto Rico if enacted into law.

“This marks an important step toward greater economic certainty and fiscal stability for the Virgin Islands,” Bryan said. “Senator Crapo gave me his commitment, and he followed through. His support and the Senate’s action reflect the effectiveness of our direct and persistent engagement at the federal level.”

The inclusion of the provision is the result of sustained lobbying efforts by the Bryan administration, in partnership with key congressional allies. Senator Mike Crapo (R-Idaho), ranking member of the Senate Finance Committee, led the push on the Senate side. On the House side, legislation had been introduced by Delegate Stacey Plaskett and Representative Ron Estes, though the permanent extension had not been included in their version of the bill.

Governor Bryan emphasized that while the milestone is significant, the fight is not over. The bill must still pass the full Senate, proceed through a conference process with the House, and finally reach the president’s desk for signature. “We’re not done yet—but we’re in a stronger position today than we were just weeks ago,” Bryan said. “This is the kind of federal result that comes from building a presence in Washington and working with Delegate Plaskett and other congressional leaders speaking up with one voice for the people we serve.”

If the legislation is passed, the increase would take effect after December 31, 2025, preventing a rollback to the \$10.50 per proof-gallon rate. Governor Bryan warned that without this provision, vital services funded through rum cover-over revenues could be at risk. “It will ensure the necessary revenues that support our pension system, public services, and economic development over the next decade,” he said. “It’s a reminder that when we show up, stay at the table, and build the right relationships, we can move the needle for the Virgin Islands.”

The Virgin Islands’ Washington Office, under the direction of Teri Helenese, played a central role in the federal engagement strategy, said Government House. “We understood from the beginning that this would be a long-term effort, and we never let up,” Helenese said. “Our strategy has been consistent—targeted engagement, bipartisan coalition-building, and an unwavering focus on what this funding means for Virgin Islanders.”

Rum cover-over revenues are crucial to the territory’s economy, accounting for nearly 25 percent of the Virgin Islands Government’s annual budget. These funds are used to stabilize the Government Employees’ Retirement System (GERS), support public education, healthcare, law enforcement, infrastructure upgrades, and job development programs focused on diversifying the economy.

Congresswoman Stacey Plaskett, while expressing concern over other provisions in the broader Senate reconciliation bill, praised the inclusion of the rum cover-over language. “While I cannot support the bill in its entirety, I applaud the Senate’s provision to permanently provide the increased rum cover-over rate of \$13.25, effective December 31, 2025,” she said. Plaskett noted that the increase would not be retroactive to the January 1, 2022 expiration of the last authorization, but stressed that securing the permanent rate going forward is critical.

Plaskett, who introduced H.R. 1378 alongside Representative Estes, gathered support from 24 other members of Congress—16 Republicans and 8 Democrats. She also highlighted a bipartisan moment during an 18-hour Ways and Means Committee markup, when both Democratic and Republican colleagues—including Chairman Jason Smith—acknowledged the importance of maintaining the higher rate.

“This is a fluid situation that is constantly evolving,” Plaskett said. “This is not the first version of this bill, and we cannot guarantee that this provision will be included in the final version. I am hopeful that the increased rum cover-over rate remains in the bill.”

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