

The Virgin Islands Consortium

Bryan and Plaskett Urged by Sen. Frett-Gregory to Push for Earned Income and Child Tax Subsidies Amid Covid-19 Pandemic

Coronavirus / **Published On March 24, 2020 05:34 PM /**

Staff Consortium **March 24, 2020**



As territorial leaders fight to reduce the financial damage to the economy amid COVID-19, Senator Donna Frett-Gregory on Tuesday called on Governor Albert Bran and Delegate to Congress Stacey Plaskett to push the federal government to provide the U.S. Virgin Islands with earned income and child tax subsidies. This will relieve the USVI government from a heavy tax burden, allowing the territory to issue timely tax refunds in the future and saving the government millions in funding that can now be used to address critical needs, the senator said.

In March 2019, Ms. Frett-Gregory led the charge in passing Resolution No. 1850, which petitions Congress to provide the subsidies, and called this week on Mr. Bryan and Ms. Plaskett to turn up the heat on the federal government. “There is no better time than now for our public officials to continue the fight,” she said.

According to the senator, currently the territory pays out approximately \$25 million in earned income tax credits and child tax credits annually, totaling upwards of \$650 million over the past three decades. With the U.S. mirror tax system in place for well over 30 years, the USVI should be receiving its fair share in tax subsidies. Even the recent decision of the United States president to extend tax filings to July 15 of this year poses a significant threat to the territory, which depends heavily on taxes to fuel government services, Ms. Frett-Gregory said.

“Just imagine—if the territory was to receive tax subsidies, the debt would be significantly lower and the government’s ability to operate would not be such a challenge,” she said.

“With businesses closing and tourism numbers down due to COVID-19, our economy will eventually come to a complete standstill. New revenue streams to support the territory and its citizens would lessen any future impact from this unprecedented crisis,” the senator added.

“Where there are challenges, we must seek out opportunities. We must chart the course to rightfully receive what belongs to the territory. It’s time the U.S. Virgin Islands receives fair and impartial treatment,” the senator concluded.