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USVI Households Included as Treasury Projects Up to \$150B in Refunds Nationwide

Treasury officials say the refunds stem from retroactive adjustments to 2025 paycheck withholding under the new tax law, with eligible households in the USVI and nationwide potentially receiving \$1,000 to \$2,000 during the upcoming filing season.

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U.S. Treasury Secretary Scott Bessent announced Wednesday that millions of working Americans could soon receive sizable tax refunds—up to \$2,000 per household—under provisions of the recently enacted One Big Beautiful Tax Bill, a measure the administration says will return overwithheld earnings to taxpayers during the upcoming filing season.

Americans living in U.S. territories — including the U.S. Virgin Islands, Puerto Rico, Guam, American Samoa, and the Northern Mariana Islands — are eligible for the refunds provided under the One Big Beautiful Tax Bill, provided they meet applicable filing requirements and income eligibility thresholds.

Speaking at a press conference, Bessent estimated that the total amount of refunds issued nationwide could range between \$100 billion and \$150 billion. He said the refunds are intended to provide meaningful relief to middle-class households as they continue to navigate broader economic pressures.

“This is real relief for hardworking Americans,” Bessent said, explaining that the refunds result from excess tax withholding on paychecks throughout 2025. According to the Treasury secretary, the new legislation retroactively adjusts those withholdings, allowing taxpayers to recoup money that was already taken out of their wages. He said the average household could receive between \$1,000 and \$2,000, depending on income level and family size.

The One Big Beautiful Tax Bill was signed into law by President Donald Trump last week. The legislation includes several changes aimed at reducing tax burdens for wage earners, including automatic deductibility of tips, expanded child tax credits, and other provisions designed to lower overall tax liability.

Bessent said the Treasury Department plans to update federal withholding tables early next year to prevent similar overpayments from occurring in the future, signaling that the large refunds expected during the next filing season are tied specifically to the retroactive adjustments in the new law.

Administration officials have promoted the tax overhaul as an economic stimulus. National Economic Council Director Larry Kudlow described the bill as a “pro-growth” measure, arguing that returning money to households will help boost consumer spending.

Not all reactions have been supportive. Some economists cautioned that the refunds represent a one-time correction rather than a permanent reduction in taxes and warned that the measure could contribute to federal deficits if not offset by other revenue. Democrats also criticized the legislation, arguing that corporate-related provisions disproportionately benefit higher earners.

House Minority Leader Hakeem Jeffries characterized the refunds as a “temporary gimmick,” saying they obscure broader fiscal concerns tied to the bill.

IRS Commissioner Danny Werfel sought to reassure taxpayers about the logistics of the upcoming filing season, stating that refund processing is expected to proceed smoothly. He said most taxpayers who file electronically can expect refunds to be issued within 21 days of filing.

The Treasury Department has launched a public awareness campaign to prepare taxpayers for the 2026 tax season, including guidance on filing and tools to help estimate potential refunds. While no specific payment timeline beyond “early next year” was provided, Bessent encouraged eligible Americans to file promptly to ensure they receive their refunds as soon as possible.

Officials said the anticipated influx of refunds could provide a timely economic lift as inflation continues to moderate, though debate over the broader fiscal impact of the legislation is expected to continue.

