

The Virgin Islands Consortium

Dept. Of Interior Announces Release Of \$251 Million To USVI For FY 2019 Rum Tax Payments

Business / **Published On September 19, 2018 09:51 PM /**

Staff **September 19, 2018**



The U.S. Department of Interior today announced that Interior Secretary Ryan Zinke will be signing over \$251 million dollars to the U.S. Virgin Islands in rum tax cover-over payments for the estimated FY 2019 rum tax collections in the territory.

"The Virgin Islands government relies on receiving these funds as quickly as they are available," Mr. Zinke said. "This is one way that my Interior team and I continue to provide necessary and beneficial support to the people of the USVI."

Under the Revised Organic Act of the Virgin Islands (48 USC 1541), any excise tax collected on USVI manufactured rum imported into the United States is transferred to or

“covered-over” to the USVI. The USVI government submits an advance estimate of rum excise taxes to the Department of the Interior’s Office of Insular Affairs (OIA) on an annual basis, so that a payment can be made in September of each fiscal year. Any adjustments necessary are calculated based upon amounts advanced from rum excise taxes derived from the USVI and actual receipts collected by the federal government, according to Interior.

“A similar advance payment of \$223,925,000 was announced by Secretary Zinke for the USVI in September of last year for fiscal year 2018,” noted Doug Domenech, assistant secretary of Insular and International Affairs. “Any adjustments necessary for 2018 will be calculated by OIA and processed quickly in the Spring of 2019, once we receive the actuals from Treasury.”