

## Interior Announces \$4.4 Million in Payment to USVI for Adjustment to FY 2019 Rum Excise Taxes

Business / **Published On January 14, 2020 03:32 AM /**

Staff Consortium **January 14, 2020**

Image not found or type unknown



**Diageo St. Croix By. Ernice GILBERT/VI CONSORTIUM**

The U.S. Department of the Interior announced Monday that \$4,466,642 will be forwarded this week to the Government of the Virgin Islands, which represents an adjustment for rum excise tax payments for FY 2019.

Certified by the U.S. Department of the Treasury, this amount represents an adjustment owed to the USVI government based on actual certified rum excise tax collections and the remaining amount owed to the USVI after an initial advance payment for the 2019 fiscal year, D.O.I. said.

“Every year, we do our best to ensure quick and timely transmission of these funds to the U.S. Virgin Islands government,” said D.O.I. Secretary Doug Domenech “It is a collective effort by

the Office of Insular Affairs (OIA) team to ensure the funds will be electronically transferred this week.”

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. Each year, the USVI Government submits an advance estimate of rum excise taxes for a “cover-over” payment to be made in or around September of each fiscal year. Adjustments are calculated based upon the difference between amounts advanced from rum excise taxes derived from the USVI and amounts collected by the federal government each fiscal year. The Department of the Interior’s Office of Insular Affairs makes the “cover-over” payments to the USVI Government on behalf of the federal government.

An initial advance payment of \$251,750,000 for FY 2019 was paid in September 2018. The total and actual amount certified for 2019 rum excise taxes collected for the U.S. Virgin Islands comes to \$256,216,642 – this week’s payment of \$4,466,642 makes up the difference.

© Viconsortium 2024