

The Virgin Islands Consortium

Bill to Make Rum Cover Over Taxes For USVI and Puerto Rico Permanent at \$13.25 Among Priorities For Plaskett in 118th Congress

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Delegate to Congress Stacey Plaskett on Thursday announced that she has reintroduced her legislative priorities in the 118th Congress, providing descriptions of bills she said aim to "improve economic conditions in the territory."

"The introduction of these new bills is part of our legislative strategy toward improving the economy of the U.S. Virgin Islands," she said in a release issued Friday. "These bills, along with others to come, will improve the Virgin Islands' economic development authorities under the Internal Revenue Code. Aside from improving economic

development in the Virgin Islands by attracting more businesses and visitors, this legislative package addresses transportation and infrastructure needs, as well as the need for greater access to education and healthcare for Virgin Islands residents."

She added, Creating a special visa waiver program for the Virgin Islands will open up more opportunities for us to host more participants in regional sporting activities like the 'Rolex Regatta,' and the St. Croix International Triathlon, as well as opportunities to open our medical facilities to patients in the Caribbean region. All of these bills, if passed, will protect jobs and the livelihood of our small business owners and increase the amount of revenue generated in the Virgin Islands.

"For the 118th Congress, I was appointed by House Democratic Leader Hakeem Jeffries as the Ranking Member of the Select Subcommittee on the Weaponization of the Federal Government and as a member of the House Permanent Select Committee on Intelligence. This is the first time a Member from a U.S. territory has been appointed to these posts. I look forward to leveraging my national profile to advocate for the equity of all Virgin Islanders. The U.S. territories and their residents are equally American."

The legislation reintroduced Ms. Plaskett for the 118th Congress includes:

"Full Rum Cover Over - This bill repeals the limit on the amount of distilled spirits excise taxes rebated to the treasuries of the Virgin Islands and Puerto Rico.

"Territorial Economic Recovery Act - This bill would restore favorable tax treatment of investment in U.S. territories, including the Virgin Islands. It would treat such investment as domestic rather than foreign investment and require investors to have an active trade or business in a U.S. territory with a certain percentage of income derived from such territory.

"Territorial Tax Parity Act - This bill modifies the income source rules that apply with respect to the taxation of resident businesses in U.S. territories. This would make the Virgin Islands more attractive to businesses and investment and would create more jobs in the territory.

"Territorial Tax Equity and Economic Growth Act - This bill modifies the residence and income source rules involving U.S. territories to provide for economic recovery in the territories.

"Territorial Tax Parity and Fairness Act - This bill would amend the Internal Revenue Code to apply the exemption that currently exists for U.S. territory residents from the law's definition of a United States shareholder to include bona fide residents of the Virgin Islands, like the existing treatment for bona fide residents of Puerto Rico and other U.S. territories. This will bring tax parity to investments in the Virgin Islands.

"Territorial Tax Parity and Clarification Act - The bill would specifically create parity between the way capital gains income in the Virgin Islands is treated and the way that it is treated in Puerto Rico and other U.S. territories.

"Fuel Tax Cover Over Bill - This bill would amend the Internal Revenue Code to cover over (pay) to the Virgin Islands revenue from U.S. excise taxes on fuel produced in the Virgin Islands and transported to the United States mainland from the Virgin Islands, like

the existing cover over program that exists for distilled spirits and other articles of manufacture.

“Virgin Islands Visa Waiver Act - This bill authorizes a nonimmigrant visitor visa waiver program for nationals of certain countries to enter the U.S. Virgin Islands for up to 45 days (as currently provided to other U.S. territories). Under this visitor tourism program, the Department of Homeland Security (DHS) may provide a waiver admitting a nonimmigrant visitor from a DHS-approved country into the Virgin Islands for up to 45 days.

“Insular Areas College Access Act - This bill would establish a college access grant program for students in the small U.S. territories. The program would be administered by the Department of Education to cover the difference between in-state and out-of-state tuition for students who attend a public institution of higher education elsewhere in the United States.

“Resiliency Enhancement Act - This bill extends the special provision of disaster assistance enacted under the Bipartisan Budget Act of 2018 for infrastructure providing critical services to also include solid waste management, stormwater management, public housing, transportation infrastructure, and medical care infrastructure. Such assistance would be extended to capture any major disaster declared in Puerto Rico or the Virgin Islands after Hurricane Irma or Hurricane Maria and before September 30, 2022.

“Territories Health Equity Act - This bill provides equitable federal funding and treatment under Medicaid, Medicare, and other federal health programs for Americans living in U.S. territories.

“Extend Basic Allowance for Housing to servicemembers in the Virgin Islands - This bill authorizes the basic allowance for housing for members of the uniformed services in the Virgin Islands (instead of the overseas housing allowance).

“Dictionary Act amendment to define Territories as a State in Federal programs - This bill creates a rule of construction in the U.S. Code to include U.S. territories in the definition of the term “State” for purposes of federal programs (except where special treatment has been explicitly provided).

“Trade Adjustment Assistance Parity - This bill extends the trade adjustment assistance for workers program to the U.S. territories of Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands.

“I look forward to continue working with my Democratic colleagues to put people over politics, work to lower costs, create better paying jobs, and make our communities safer by working with whomever to support and advocate for everyday Americans,” Ms. Plaskett concluded.