



Virgin Islands Economic Development Authority

**2022 Spring Revenue Estimating
Conference**

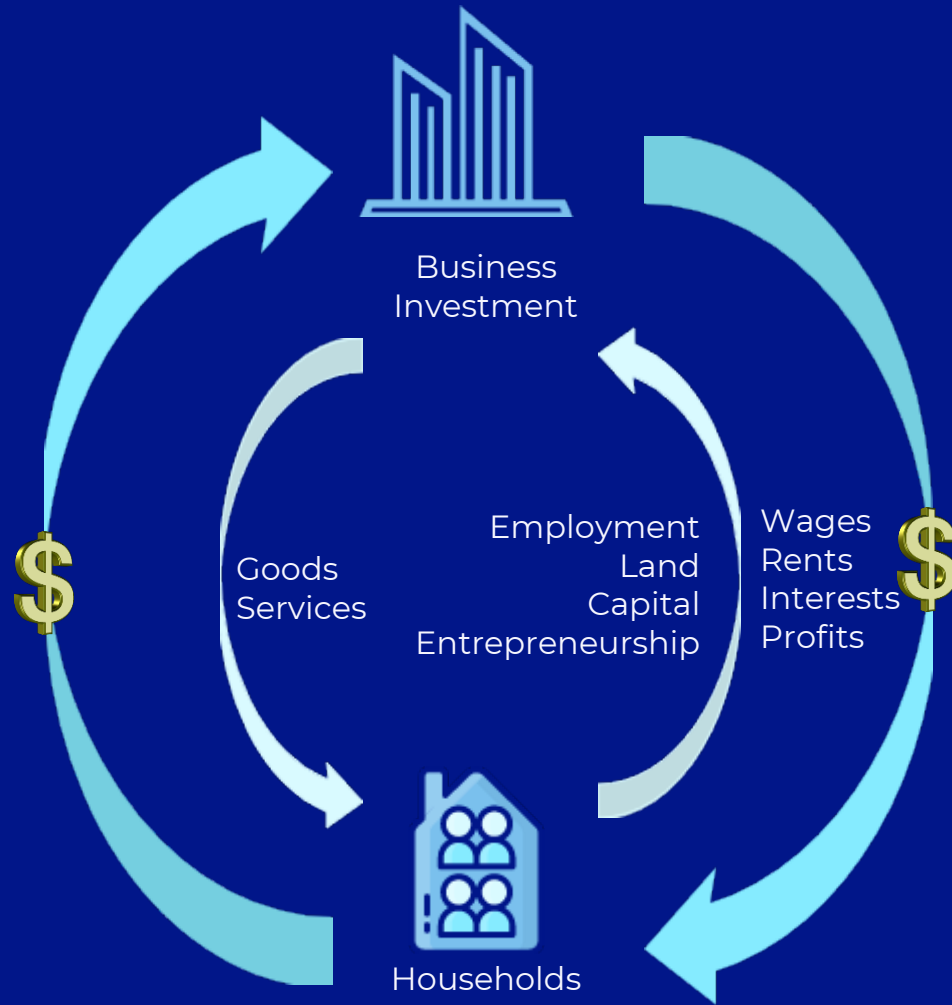
March 2022

The Buccaneer Hotel
VIEDC Beneficiary

Virgin Islands Economic Development Commission

Fiscal Years 2023-2024 Revenue Projections

WHAT IS ECONOMIC DEVELOPMENT?



The International Economic Development Council (IEDC) defines economic development “as a program, group of policies, or activity that seeks to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs that facilitate growth, enhance wealth and provide a stable tax base.”

FACT

Tax incentives are intended to spur economic growth that would not have otherwise occurred.

The Territory starts at a net zero position



10% Income Tax
Paid to the
Territory



Capital
Investments



Employment
Wages &
Benefits for VI
Residents



Charitable
Contributions



100% Income
Tax on Global
Income

BENEFITS TO THE TERRITORY

BENEFICIARIES MUST PAY

**Income
Tax**

**Payroll
Tax**

**Property
Tax**

**Franchise
Tax**

**Stamp
Tax**

All other applicable taxes not covered under the grant of incentives must also be paid.



NOTE ON INCOME TAX

10% on VIEDC Corporate Income

Effective Tax Rate: 2.3% (based on tax rate of 21% and 10% surcharge)

10% on VIEDC Personal Income

Effective Tax Rate: 3.7% (based on exemption and partial exemption as provided in 29 V.I.C. § 713d on Distributions, Dividends and/or Interest Withholding)

Full Tax Rate on Global Non-VIEDC
Personal Income

No tax-incentive/benefits are taken on
income derived from services provided in
the USVI (Designated Services)

BENEFITS TO THE TERRITORY

LOCAL INVESTMENT

Minimum Capital
Investment of \$100,000

Purchase Goods and
Services Locally from
Virgin Islands
Businesses

BENEFITS TO THE TERRITORY

EMPLOYMENT

Hire a Minimum of 5
(Financial Services only)
or 10 Full-time
Employees

Pension Plan, Medical
Insurance and Paid Time Off
(Vacation, Sick, Donated, &
Other Leave Required by Law)

80% of Full-time
Positions Filled by Virgin
Islands Residents

Management Training
Programs

20% Management /
Supervisory / Technical
Positions Filled by Virgin
Islands Residents

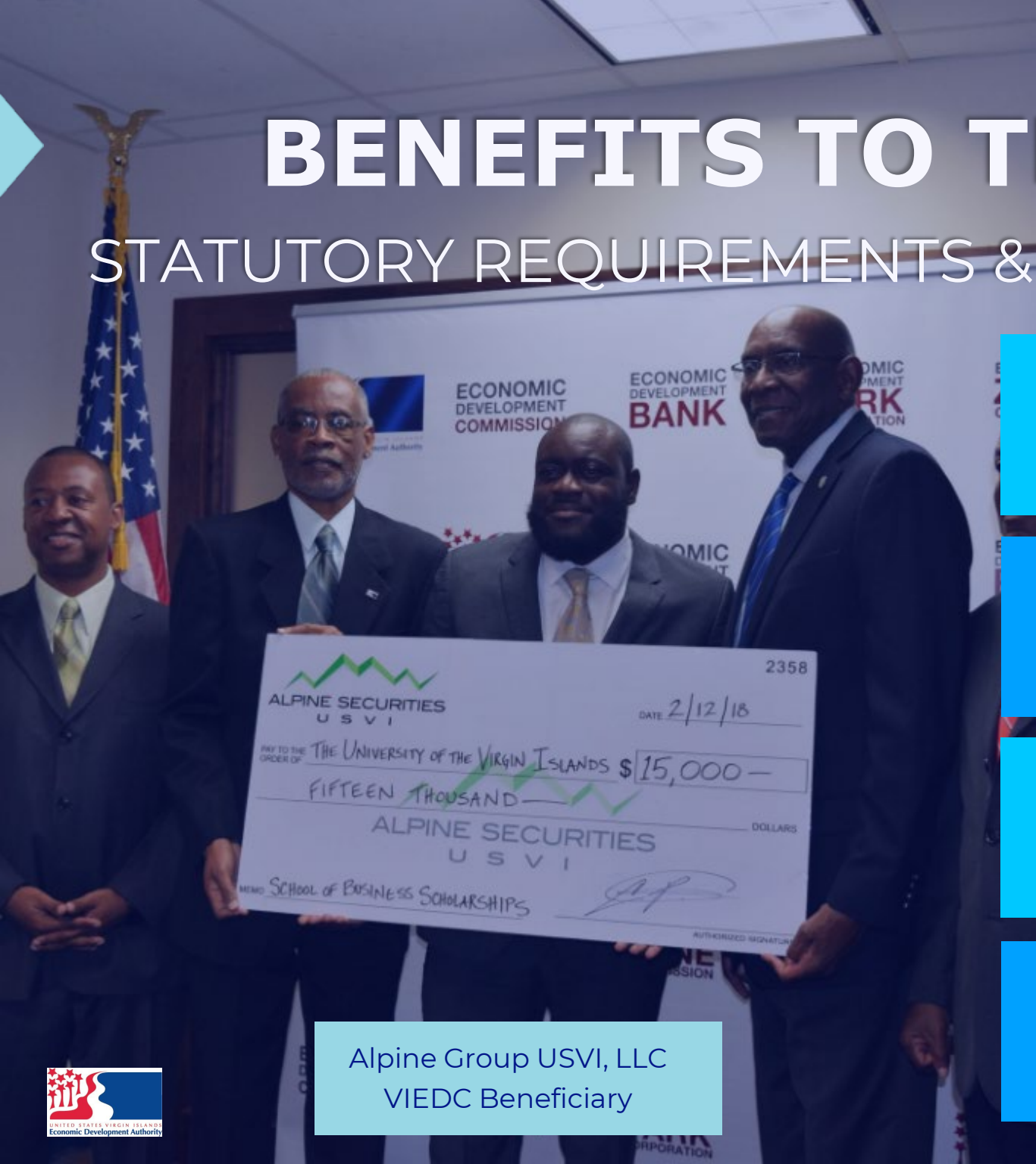
Tuition Reimbursement

United Electronic Industries Services, LLC
VIEDC Beneficiary



BENEFITS TO THE TERRITORY

STATUTORY REQUIREMENTS & CHARITABLE CONTRIBUTIONS



Contribution of \$3000 Annually to the Board of Education

Contribution of \$2500 Annually to the Department of Labor

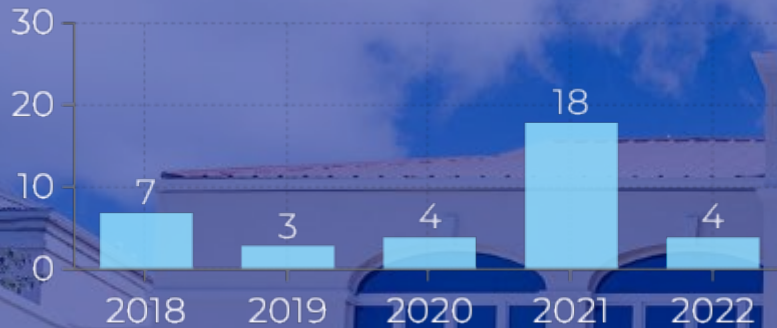
Charitable Contributions Annually to Local Non-profits, 501(c)3 Entities and/or Government Programs

Education Assistance, Including Internship Opportunities and Scholarships

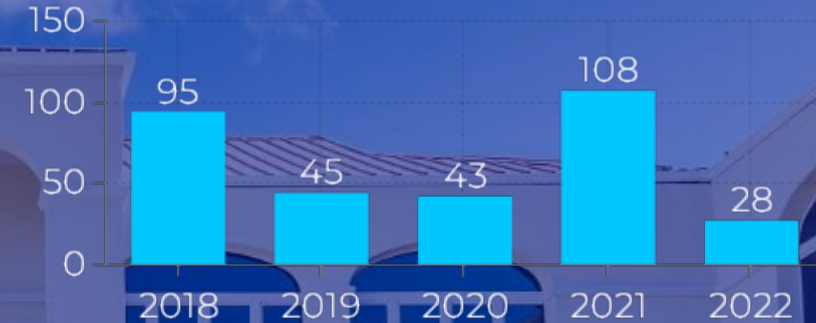
Alpine Group USVI, LLC
VIEDC Beneficiary

HISTORICAL NEW APPLICANT STATISTICS

Number of Applications Received



Number of New Job Opportunities



**Approx. Wages by New Applicants
In Millions**



**Minimum Potential Investment
In Millions**

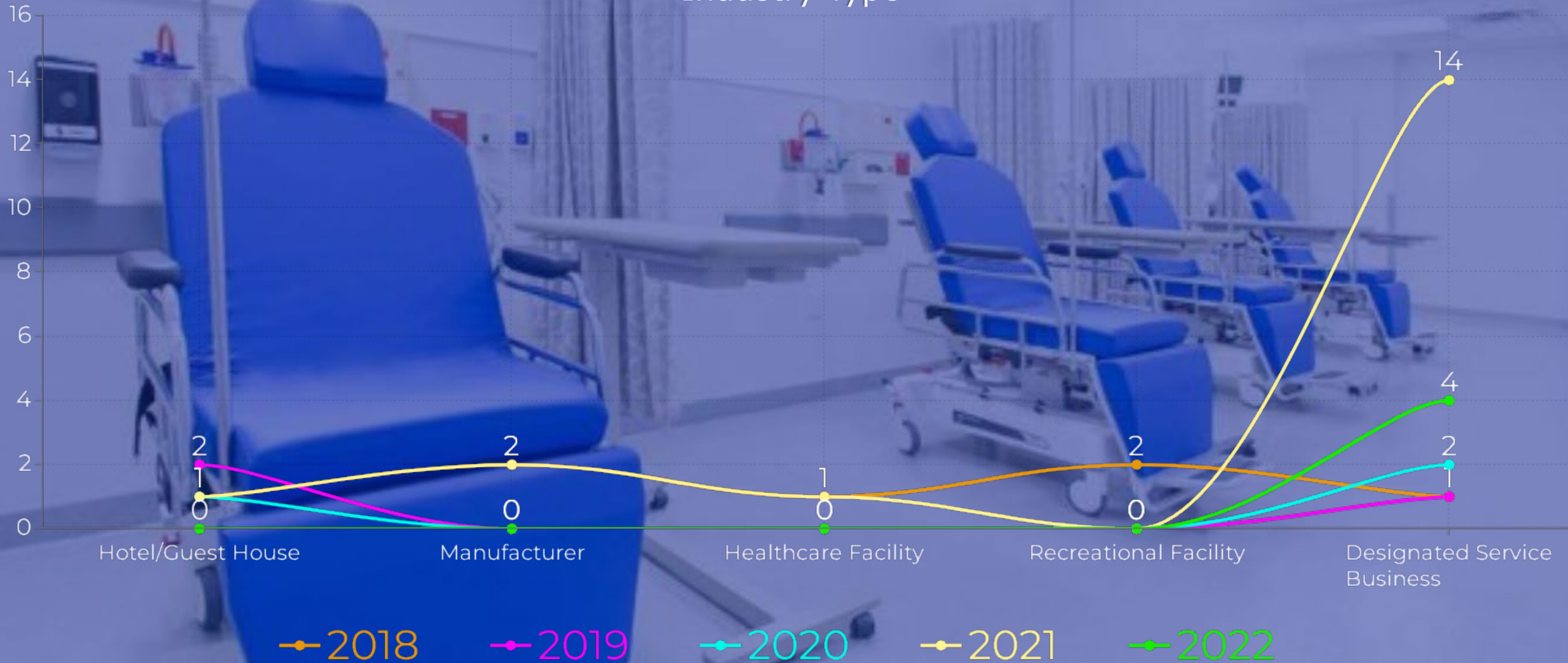


**Anticipated Total Taxes Over 5 Years
In Millions**



NEW APPLICANT HISTORICAL DATA

Industry Type



ECONOMIC IMPACT ANALYSIS

Impact of the Beneficiaries of the EDC Program for the Period 2013-2015

19.3
THOUSAND

**Full-Time Equivalent
Jobs**

Average: 6,436/year

\$9.7
MILLION

**Charitable
Contributions**

Average: \$3.23M/year

\$309
MILLION

**Taxes and Duties
Paid**

Average: \$103M/year

\$1
BILLION

Wages & Salaries

Average: \$339M/year

\$1.5
BILLION

**Territory-Wide
Economic Output**

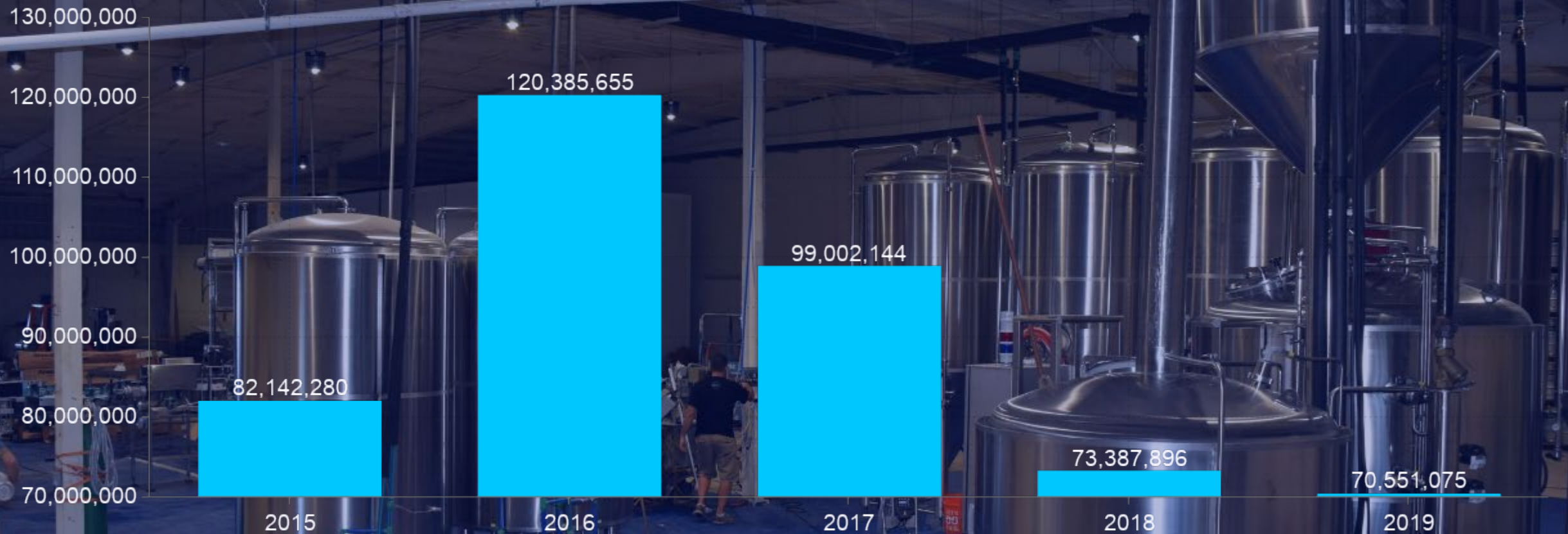
Average: \$500M/year

Source: USVIEDA Economic Impact Analysis conducted by UVI's
Institute for Leadership & Organizational Effectiveness (2019)

Seven Seas Water Corporation (USVI)
VIEDC Beneficiary

TOTAL TAXES & DUTIES PAID

2015-2019 STATISTICS



The average annual taxes and duties paid from 2015-2019 was \$89.1M.

This information is subject to change.

Leatherback Brewing Company, LLC
VIEDC Beneficiary

FISCAL IMPACT TO THE USVI ECONOMY



**Total Taxes
Paid By
VIEDC
Beneficiaries**

+



**Taxes Paid on
Global
Income by
Principals**



**USVI
Economy**

FY 2023-2024 ANTICIPATED REVENUES

Year 2

\$10M

Year 1

\$5M



CONTACT US



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