



# Virgin Islands Economic Development Authority

**2023 Spring Revenue Estimating  
Conference**

March 2023

The Buccaneer Hotel  
VIEDC Beneficiary

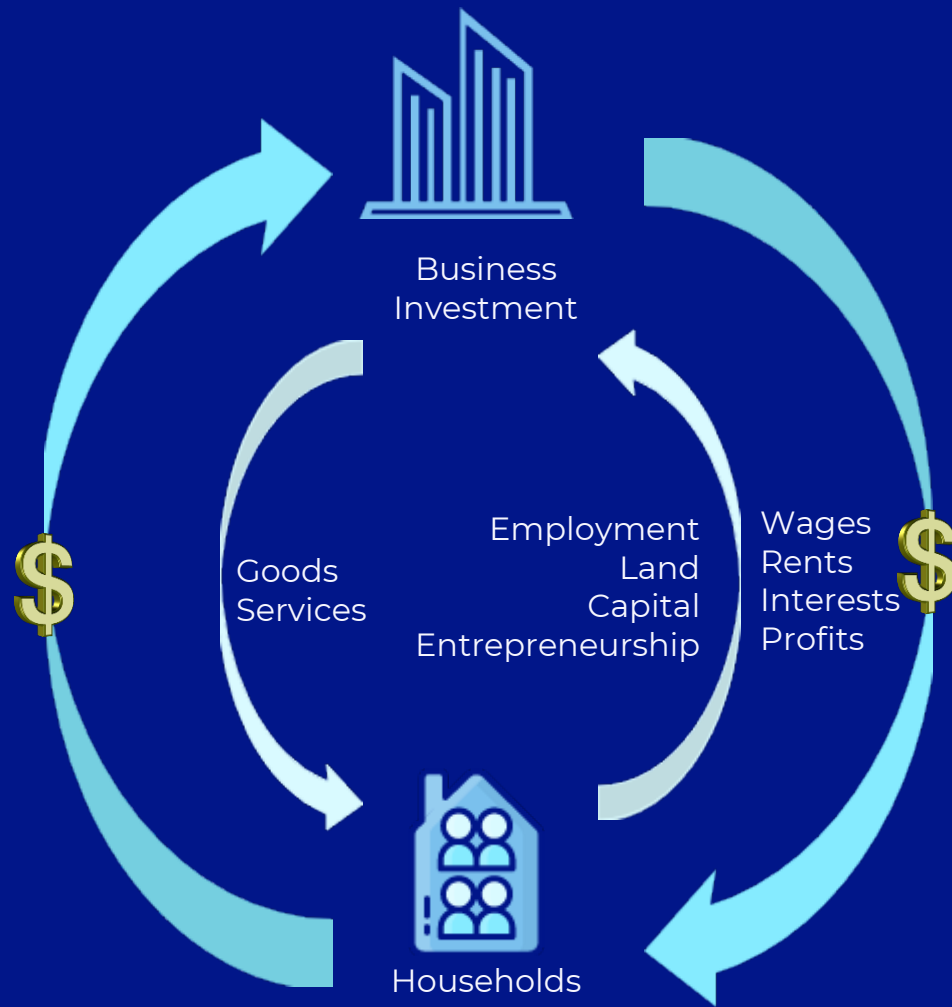


# Virgin Islands Economic Development Commission

Fiscal Years 2024-2025 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

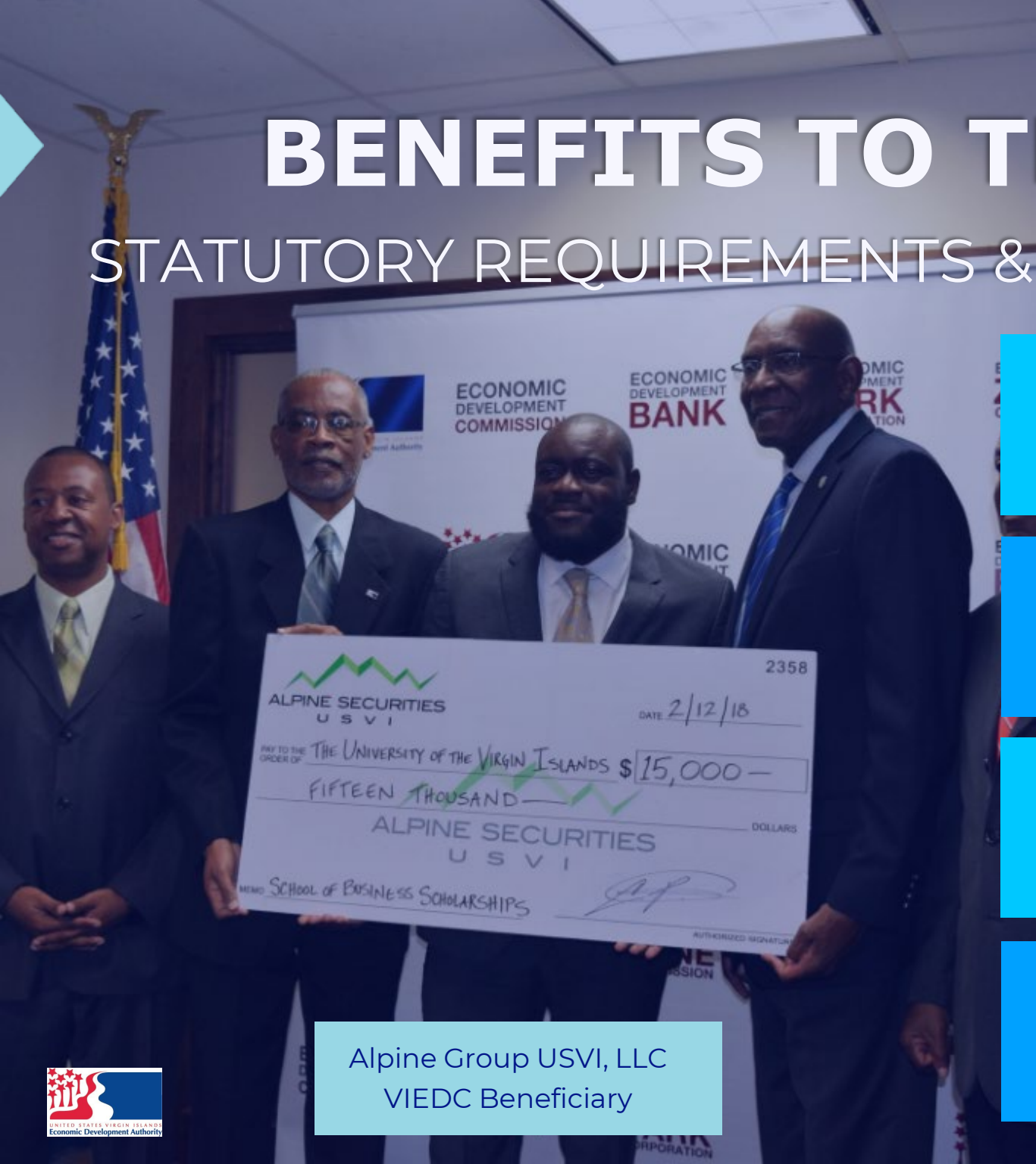
United Electronic Industries Services, LLC  
VIEDC Beneficiary





# 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

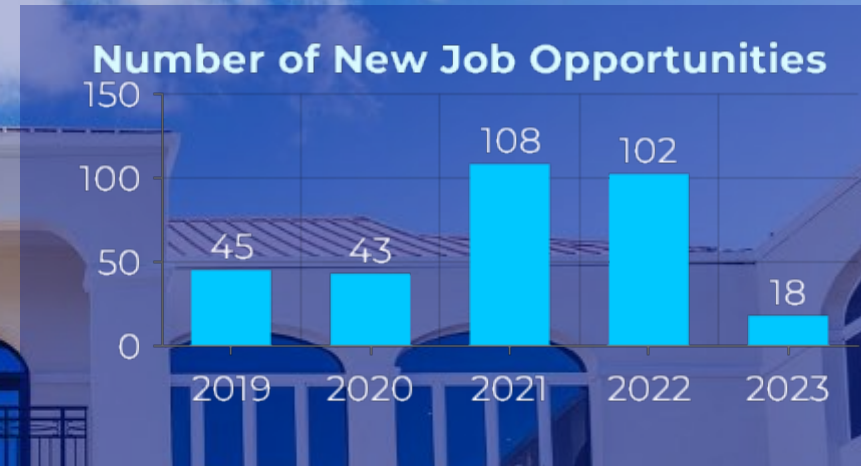
Charitable Contributions Annually to Local Non-profits, 501(c)3 Entities and/or Government Programs

Education Assistance, Including Internship Opportunities and Scholarships

Alpine Group USVI, LLC  
VIEDC Beneficiary



# HISTORICAL NEW APPLICANT STATISTICS

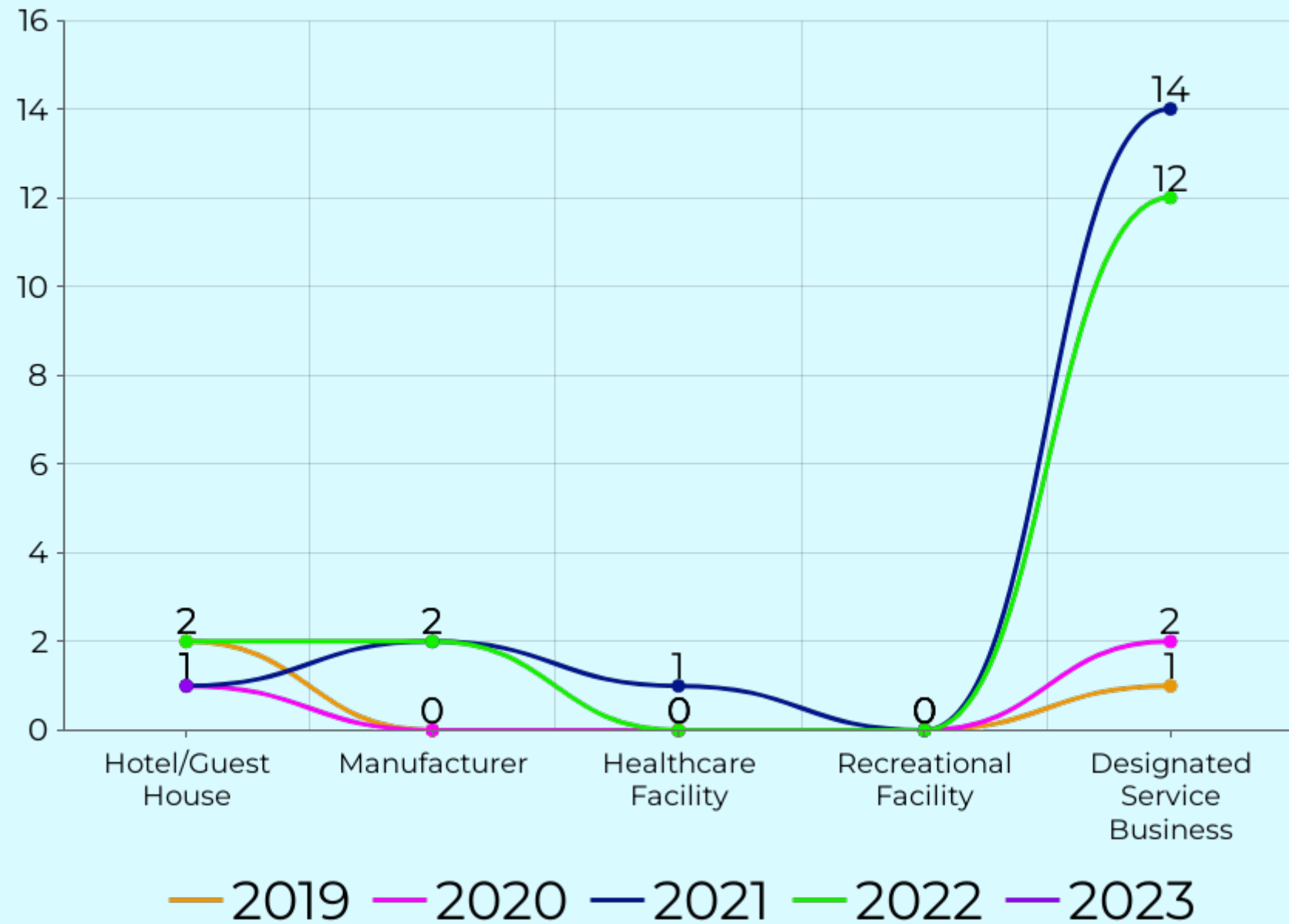






Plessen Healthcare, LLC  
VIEDC Beneficiary

## New Applicant Historical Data Industry Type



Fiscal Year Data as of December 31, 2022



# ACTIVE BENEFICIARIES BY YEAR

YEAR	NUMBER
2016	82
2017	80
2018	72
2019	77
2020	72
2021	75
2022	82

Marriott Frenchman's Reef  
VIEDC Beneficiary



# TOTAL TAXES & DUTIES PAID

2016-2020 STATISTICS

**The average annual taxes and duties paid from 2016-2020 was \$90.4M.**



Leatherback Brewing Company, LLC  
VIEDC Beneficiary



# FISCAL IMPACT TO THE USVI ECONOMY





# FY 2024-2025 ANTICIPATED REVENUES

**Year 2**

**\$10M**

**Year 1**

**\$5M**





# CONTACT US



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