

# ACT NO. 9 1 0 8

BILL NO. 36-0283

## THIRTY-SIXTH LEGISLATURE OF THE VIRGIN ISLANDS

Regular Session

2026

An act amending title 29 Virgin Islands Code, chapter 12, subchapter I by adding a new section 713c to limit income tax refunds for economic development program beneficiaries

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*Be it enacted by the Legislature of the Virgin Islands:*

**SECTION 1.** Title 29 Virgin Islands Code, chapter 12, subchapter I, is amended by adding the following new section 713c and renumbering the remaining sections accordingly:

**“§713c. Limitation on income tax refunds for beneficiaries**

(a) Notwithstanding the provisions of section 713b, and except as provided in subsection (h) of this section, no income tax refund attributable to income subject to benefits authorized by this chapter shall be allowed or paid to a beneficiary certified under an economic development program, unless the cumulative income tax benefits received by such beneficiary under this chapter have been fully offset as provided in this section.

(b) Prior to paying any income tax refund to a beneficiary, the Bureau of Internal Revenue shall determine the cumulative amount of income tax benefits received by the beneficiary during the entire period of the beneficiary’s participation in the economic development program granting the benefits authorized pursuant to this chapter.

(c) For purposes of this section, the term “income tax benefits” means any reduction of income tax liability granted pursuant to §713b of this title.

(d) Any income tax refund otherwise allowable to a beneficiary that is attributable to income subject to benefits authorized by this chapter shall be applied as an offset against the cumulative income tax benefits determined pursuant to subsection (b) of this section, without regard to the taxable year in which such benefits were received.

(e) The amount applied as an offset for any taxable year shall not exceed the amount of the income tax refund otherwise allowable for such taxable year. Any remaining balance of cumulative income tax benefits shall be carried forward and applied against income tax refunds allowable for subsequent taxable years.

(f) No income tax refund attributable to income subject to EDC benefits shall be allowed or paid to a beneficiary until the cumulative income tax benefits determined pursuant to subsection (b) of this section have been fully offset.

(g) Notwithstanding subsections (a),(d),(e) and (f), an income tax refund of non-EDC business income taxes otherwise allowable, will be offset against the cumulative income tax benefits determined under subsection (b) of this subsection, if the loss that generates the tax refund is derived from business activity entitled to the EDC benefits.

(h) This section shall not apply to an original income tax return timely filed for a taxable year that reflects an overpayment solely because the tax shown as due on such return is less than the payments made for such taxable year.

(i) The Bureau of Internal Revenue may promulgate regulations necessary to implement the provisions of this section.

Thus passed by the Legislature of the Virgin Islands on May 28, 2026.

Witness our Hands and Seal of the Legislature of the Virgin Islands this 29<sup>th</sup> day of May, A.D., 2026.



Handwritten signature of Milton E. Potter in blue ink.

Milton E. Potter  
President

Handwritten signature of Avery L. Lewis in blue ink.

Avery L. Lewis  
Secretary



**Bill No. 36- 0283 is hereby approved.**

**Witness my hand and the Seal of the Government of  
the United States Virgin Islands at Charlotte Amalie,  
St. Thomas, This 9<sup>th</sup> day of June, 2026 A.D.**

A handwritten signature in blue ink, appearing to read "Albert Bryan Jr.", written over a horizontal line.

**Albert Bryan Jr.  
Governor**