



## TAX INCREMENT FINANCING

### **Financing Development and Redevelopment**

The U.S. Virgin Islands adopted tax increment financing in 2008 to promote development and economic growth in underdeveloped areas, preserve and enhance the tax base of areas needing redevelopment and restore and revitalize undeveloped communities.

Tax Increment Financing (TIF) is a technique used by local governments to finance development or redevelopment activities. It is a mechanism used to capture the future tax revenue benefits of real estate improvement to pay the present costs of the public improvements. Interested businesses can apply for two different types of TIF in the U.S. Virgin Islands:

- **Project Based:** This is for a single project involving one or more pieces of land that uses TIF only for that project.
- **District Based:** This option is ideal for large tracts of land targeted and identified for redevelopment. Projects that develop within the district may be eligible to use TIF as a source of financing or as property values increase, TIF may be used for loan programs.

TIF may be used to finance a variety of costs and improvements pertaining to public infrastructure, land acquisition, demolition and utilities, including the following:

- Sewer expansion and repair
- Water supply
- Street construction
- Affordable/low income housing
- Libraries
- Schools
- Traffic control
- Park improvements
- Parking structure
- Utility lines

Learn more about [Tax Increment Financing in the U.S. Virgin Islands](#), including [the official Tax Increment Financing Law](#). [Download](#) an official Tax Increment Financing application.

VIEDA is an equal opportunity provider, employer and lender

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