



UNITED STATES VIRGIN ISLANDS

**Economic Development
Authority**

Enterprise Zone Commission

A division of the U.S. Virgin Islands Economic Development Authority

Application for Tax Benefits



“The Enterprise Zone Commission Welcomes You”

The U.S. Virgin Islands Economic Development Authority’s Enterprise Zone Commission (EZC) thanks you for your interest in our programs. The EZC’s mandate is to revitalize once vital vibrant communities that are now considered to be distressed. In achieving this objective within the Territory, the EZC seeks to provide appropriate investments, tax benefits, and regulatory relief of sufficient importance to encourage the business community to commit financially.

The EZC also encourages the public to learn more about the newly-adopted community plans for Savanne and Downstreet, and Garden Street and Upstreet on St. Thomas, and for Christiansted and Frederiksted on St. Croix along with other tax incentives offered by the EZC.

Should you have any questions, please email us at ezc@usvieda.org or contact an EZC Specialist on St. Croix at 773-6499 or on St. Thomas at 714-1700.

Enterprise Zone Commission

The purpose of the Enterprise Zone Commission as set forth in the Virgin Islands Code is “to provide the necessary means to assist local communities, their residents, and the private sector in creating the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed Enterprise Zone areas. In achieving this objective, the territory will seek to provide appropriate investments, tax benefits, and regulatory relief of sufficient importance to encourage the business community to commit its financial participation.” V.I. CODE ANN. Tit. 29, §1002(a). The laws additionally states that the intent is to accomplish these goals by “removing unnecessary governmental regulatory barriers to economic growth, and to provide tax incentives and economic development program benefits.” 29 V.I.C. § 21002(b).

PROGRAMS OF THE VI ENTERPRISE ZONE COMMISSION

	Enterprise Zone Tax Credit Program
Virgin Islands Code	Title 29 V.I.C., Chapter 19 §§ 1001-1017h
Eligibility	<ul style="list-style-type: none"> • Must be a licensed business or an owner-occupied residence within the zone. • Be a resident of the U.S. Virgin Islands (“USVI”) • Be the actual investor in the Enterprise Zone. (“EZ”) • Meet the standards of ecological compatibility.
Benefits	<p>A Nonrefundable gross receipts or income tax credit equal to 25% of the actual value expended within the fiscal year for construction or rehabilitation of building within the zone.</p> <p>A nonrefundable gross receipts or income tax credit equal to 10% of the expenditures within a fiscal year for investment in machinery and equipment for the beneficiary business.</p> <p>A gross receipt tax rate of 3% for gross receipts derived from the EZ business.</p> <p>A one-time nonrefundable \$500 income tax credit for every job created with the for USVI residents.</p> <p>A property tax credit against taxes imposed equal to the increase in property taxes assessed due to renovation, rehabilitation or construction property within the zones.</p>
Employment	Employ at least two residents of the USVI directly or through a contractor.
Investment	Invest a minimum of \$10,000 in the rehabilitation, renovation or construction of the building.
Years of benefits	10 years in accordance with the issued certificate.
Zone	Christiansted, Frederiksted, Garden Street & Upstreet and Savanne & Downstreet zones.

Instructions

There are three programs offered by the Enterprise Zone Commission. Which one is best for you? Please select a program and fill the entire application. Those applying for Enterprise Zone Tax Credits should not complete page 7. If you are applying for the Enterprise Zone Plan or Commercial Zone programs, you should complete the entire application including the appropriate area on page 7. Note that application will not be considered complete unless the all of the attachments are included in your submission. Should you have any questions, please send us an email at ezc@usvieda.org or contact an **EZC Specialist** on St. Croix at 773-6499 or on St. Thomas 714-1700.

Enterprise Zone Plan Program	Commercial Zone Program
Title 29 V.I.C., §1014 (2)with sunset of March 9, 2024	Title 29 V.I.C., §1017 sunset April 28, 2019)
In addition to the requirements of the Enterprise Zone Tax Credit program, those applying for this program must have businesses/activities that are in accordance with the incentivized activities in the adopted plan for the zone in which one is applying.	Establish and continue to maintain a business with a valid licenses and permits
An income tax exemption of 90%; An exemption from gross receipts of 100%; and An exemption from property taxes of 100%.	A non-refundable gross receipts tax credit or an income tax credit equal to 10% of the actual value expended within a fiscal year for construction /rehabilitation of a building or other real property. Additional percentages may be stacked, but may not exceed 35%. (Off Street Parking 5-15%, Entertainment 5%, New Residential 10%, Retail carrying predominantly cultural or locally made products 10%). A gross receipts tax rate of 3% for gross receipts derived by the Commercial Zone business. A property tax credit against taxes imposed equal to the increase in property taxes assessed due to renovation, rehabilitation or construction property within the zones.
Employ at least two residents of the VI directly or through a contractor.	Employ at least 4 residents of the USVI & 1 paid apprentice directly or through a contractor.
Requires an investment of a minimum of \$10,000 in the rehabilitation, renovation or construction of the building.	Requires a minimum investment of \$75,000.
5 years as specified in the certificate.	5 years as specified in the certificate.
Christiansted, Frederiksted, Garden Street & Upstreet and Savanne & Downstreet zones	

CONTACT

Legal Name of taxpayer (the applicant)	Federal Tax ID/ Social Security No.
Real Property Owner <input type="checkbox"/> Yes <input type="checkbox"/> No	
Address of taxpayer	Telephone Email
Name of person completing application	
Address of person completing application	Telephone Email

ELIGIBILITY

Please select the program for which you are applying.	
Enterprise Zone Tax Credit _____ Enterprise Zone Plan _____ Commercial Zone _____	
Select the island and zone in which the facility is located?	
St. Croix _____ Christiansted _____ Frederiksted Enterprise Zone _____	
St. John _____	
St. Thomas _____ Garden Street-Upstreet _____ Savanne-Downstreet _____	
Facility plot number:	Facility parcel number:
Investment in US\$:	Employment:
Rehabilitation _____	Temporary _____
New Construction _____	Permanent _____ Annual salary _____
Machinery _____	Permanent part-time _____
Purchase price _____	Permanent full-time _____
Date purchased _____	Apprentice _____
Date of initial investment	Date of expected completion

ACTIVITY

Describe the rehabilitation/constructions efforts that will be undertaken.

Describe the nature of business/activity to be conducted at this facility. Be specific.

HISTORY & CURRENT CONDITION

Please provide a history of the property.

Describe the current condition of the property.

EZ FIVE YEAR STRATEGIC PLAN

☐ Does the proposed project affect the stated goals of the Enterprise Zone Commission? Identify the strengths and needs for each zone and assist in identifying the possible opportunities to utilize those strengths and fulfill those needs. **(e.g. enhancing the general or ex-panding and improving access to education/training opportunities.)** Please explain.

☐ Strengthen readiness for social and economic challenges, as well as natural and man-made disasters and ensure the community's ability to rebound quickly. **(e.g. creating an environment safe for business and residents to work and play.)** Please explain.

☐ Encourage, motivate and incentivize business activity through utilization of every economic development tool available to assist in the development, growth and support of entrepreneurial and enterprising efforts. **(e.g. developing, recruiting, retaining and or ex-panding business that creates livable wage jobs.)** Please explain.

COMMUNITY PLANS

How does your project promote the goals of the Town/Neighborhood plans as stated in the EZ Community plan?

EZ PLAN PROGRAM

The activity under which I qualify for this program is:

Christiansted

- ☐ Infill Housing/Artisan live work
- ☐ Museums/Art galleries
- ☐ Greenbelt Businesses
- ☐ Cultural Businesses

Frederiksted

- ☐ Business that promote history/culture
- ☐ Technology related
- ☐ Sports and Wellness
- ☐ Culinary (bakeries/restaurants/cafes)

Garden Street-Upstreet

- ☐ Live Work (Garden Street only)
- ☐ Sports and Entertainment (Upstreet only)
- ☐ Good Community
- ☐ Experiential Tourism
- ☐ Arts and Restaurants

Savanne-Downstreet

- ☐ Learning Centers with cultural elements
- ☐ Producers and retailers of the Virgin Islands cultural products
- ☐ Innovation and Technology
- ☐ Start-up businesses involved in the environment, technology or VI culture.

I hereby agree to maintain or continue to maintain a business within the Enterprise Zone for a period of ten years from the first date of receipt of benefits.

Signature: _____

Print name: _____

Date: _____

EZ COMMERCIAL ZONE PROGRAM

Will the facility have any of the following new activities added to it as a result of the revitalization?

- ☐ Off Street Parking? If so at what level?
 - ☐ **Level 1:** 10 to 30 standard size parking spaces
 - ☐ **Level 2:** 31 to 50 standard size parking spaces
 - ☐ **Level 3:** 51+ standard size parking spaces
- ☐ Entertainment:
 - ☐ Restaurant
 - ☐ Center for Live Entertainment
- ☐ New Residential
- ☐ Retail establishments that carry more than 50% cultural or locally made products.

AGREEING IN WRITING

I, _____, an applicant for Enterprise Zone Commission tax benefits credits located at _____ agree to the following:

In accordance with **29 V.I.C. §§1011(g) & 1017d(7)**, comply with all Federal and Territorial laws, including anti-discrimination and wrongful discharge laws. _____

Please initial

In accordance with **29 V.I.C. §§1011(h) & 1017d(8)**, if the facility is on land adjoining any beach or shoreline of the Virgin Islands, agree to grant to the Government of the Virgin Islands a perpetual easement upon and across such land to the beach or shoreline to provide free and unrestricted access thereto the public, which easement shall be duly recorded in the Recorder of deeds upon the designation of the business as an Enterprise Zone Business. _____

Please initial

In accordance with **29 V.I.C. §§1011(i) & 1017d(9)**, notify the Virgin islands Employment Service in writing as to the availability of employment by the business or its subcontractors, the number of employees required, the occupational classification of such workers, and the applicable wage rate.

Please initial

In accordance with **29 V.I.C. §§1012(1) & 1017e(a)**, employ and to require all contractors retained by the business to employ persons who are residents of the U.S. Virgin Islands. _____

Please initial

In accordance with **29 V.I.C. §§1012(2) & 1017e(b)**, agree and require all contractors retained by the business to agree, to contract for services with and purchase goods, materials and supplies from those persons who are residents of the Virgin islands and those entities that are incorporated or registered under the laws of the Virgin Islands, and who are duly licensed to do business in the Virgin islands and have been so duly licensed for at least one year prior to the initial date of any such purchase, contract or subcontract, provided that the bid of such resident or entity does not exceed the bid of any nonresident person or entity by more than 15%. Each Enterprise Zone business and all contractors and subcontractors of such business must invite competitive bidding for all services, goods and materials pursuant to the publication requirements of 31 V.I.C. §236, and must apprise each bidder in writing of the name of the successful bidder and the amount of his/her bid within 30 days after awarding the bid. _____

Please initial

In accordance with **29 V.I.C. §§1013 & 1017f**, certify that the applicant is not a Virgin Islands Economic Development Commission ("VIEDC") applicant or beneficiary and, if the applicant applies to the VIEDC program, shall immediately notify the Enterprise Zone Commission of such action.

Please initial

I affirm by my initials that I have read and agree to comply with the above for the duration of my period of benefits.

Print name _____

Signature _____

Date _____

SUMMARY STATEMENT

Briefly describe the economic impact of the proposed project.

REQUIRED ATTACHMENTS

- ☐ The signed EZC Agreement
- ☐ The EZC Zone Map indicating the location of the facility
- ☐ Photos of the facility (before and after (if available))
- ☐ A copy of a current business license for the business to be conducted at the facility
- ☐ A copy of proof of ownership of the facility (deed)
- ☐ Proof of residency of owner of the facility (tax return)
- ☐ If any investment has been made, proof of expenditure
- ☐ A letter issued from Historic Preservation Commission approving the project.
- ☐ IRS forms 8821 & 8832 (if applicable)

SIGNATURES

Under penalties of perjury, I declare that this application, including accompanying attachments, is to the best of my knowledge and belief, true, correct and complete.

Further, on behalf of _____, I _____, authorize the Virgin Islands Economic Development Authority ("VIEDA") or its designee to conduct a full investigation into the background of the said applicant. Therefore, you are hereby authorized to release any and all information pertaining to the said individual(s) and/or entity, documentary or otherwise, as requested by any employee of the VIEDA or its designee, provided that he or she certifies to you that said enterprise has an application pending before the Enterprise Zone Commission or that said individual/entity is presently a licensee or registrant qualified under the provisions of 29 V.I.C, Chapter 19.

Preparer's Signature: _____ Date: _____

Taxpayers Signature: _____ Date: _____



Community



Development

