

# Legislature of the Virgin Islands

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The Honorable  
**Angel Bolques, Jr.**  
Senator-At-Large  
35<sup>th</sup> Legislature of the Virgin Islands

**CHAIRMAN**  
Committee on Culture, Youth, Aging, Sports, & Parks

**VICE-CHAIRMAN**  
Committee on Economic Development & Agriculture

**MEMBER**  
Committee on Rules & Judiciary  
Committee on Homeland Security, Justice & Public Safety  
Committee on Housing, Transportation, & Telecommunication  
Subcommittee on Energy & Infrastructure Development



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# MEDIA PRESS RELEASE

## **Urgent Call for Action: Protecting Virgin Islands' Economic Future Amid Rum Tax Benefits and Beer Industry Challenges**

VIRGIN ISLANDS - As the Senator At Large for the Virgin Islands, I find it essential to speak out on the pressing issues surrounding the "rum cover-over" tax benefit, its likely uncertain future, at the rate of \$13.25 per gallon, and the recent developments involving the beer industry. These challenges underscore the need for a comprehensive strategy to protect the economic well-being of our beloved Virgin Islands.

The rum cover-over program has been a cornerstone of our economic development, especially critical to the healthcare and education sectors. However, it faces unexpected scrutiny and opposition from the beer industry's lobby. The Beer Institute, representing major U.S. beer producers, is challenging the fairness of this tax benefit, potentially affecting the longstanding rum cover-over program. This situation raises crucial questions about the future of this program and its impact on our economy and infrastructure.

Further complicating these challenges is the uncertainty surrounding the Rum Cover-Over Extender Legislation. "The expiration of the previous tax extender has significantly reduced our remittance, directly impacting our ability to service critical financial obligations, including

the bonds essential for the Government Employees' Retirement System; despite the diligent efforts of Delegate Stacey Plaskett, the path to securing a permanent extension is hindered by legislative gridlocks and some resistance within Congress concerning passing a tax bill.

These issues call for a unified and immediate response. It's imperative that we engage in constructive dialogue with Congress through our Honorable Delegate, the Governor of the Virgin Islands, stakeholders in the rum and beer industries, and the broader public. Balancing the unique economic and cultural significance of the rum industry in the Virgin Islands with the concerns of the beverage market is essential moving forward.

I cannot stress enough the urgency with which Congress must address the current impasse over tax extenders and benefits. The prolonged delay in reaching a decision has profound and far-reaching implications, not just for the Virgin Islands, but for all U.S. territories relying on such critical funding. These territories, integral parts of the United States, depend heavily on this revenue for essential services and economic stability. Every day of inaction exacerbates the challenges we face, hindering our ability to effectively support our healthcare, education, and other vital sectors. It is imperative that Congress acts swiftly and decisively to resolve this issue, demonstrating a commitment to the well-being and prosperity of all territories under the U.S. flag. The future of our communities hangs in the balance.

As your Senator At Large, I am steadfast in working with our Honorable Delegate and advocating for solutions that respect our interests and address our challenges. We must collaborate to find legislative solutions that ensure our economic stability and prosperity; I stand with our Delegate to Congress as she calls upon her colleagues in Congress, both Democrats and Republicans, to recognize the historical importance of the Rum Cover-Over program in our economy and to work through the legislative challenges that currently impede progress. This is an 'all hands on deck' scenario, and we cannot afford further delays or political standoffs. We must ensure that the interests of our territory and its people are at the forefront of our decisions.

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