



GOVERNMENT HOUSE  
UNITED STATES VIRGIN ISLANDS

**FOR IMMEDIATE RELEASE**

December 2, 2020

Press Contact

Richard Motta Jr.

340-474-2399

[www.vi.gov](http://www.vi.gov)

[richard.mottajr@go.vi.gov](mailto:richard.mottajr@go.vi.gov)

## **Bryan/Roach Administration Outlines COVID-19's Economic Impact on USVI**

U.S. VIRGIN ISLANDS -- In keeping with Governor Albert Bryan Jr.'s pledge of transparency, the administration's Office of Management and Budget held its fall Revenue Estimating Conference on Wednesday where 18 of the government's revenue-generating agencies provided a revenue outlook for Fiscal Year 2021.

Governor Bryan, OMB Director Jenifer O'Neal, and members of the Governor's Cabinet shared the FY 21 revenue forecast with attendees at the virtual conference, which included members of the 33rd Legislature and Senators-elect who will join the 34th Legislature in January.

The Governor said Wednesday that despite the adverse effects of COVID-19 on the economy, the USVI will maintain a level of stability through this fiscal year largely due to the administration's cost-cutting and efforts to move forward government projects.

"Government projects are the things that stand between us and a real economic catastrophe. It's not if it's coming; it's when it's coming," Governor Bryan said during his remarks to open the conference. "Our ability to handle the finances thus far during this past year has proven very beneficial to us. We're in a good cash position right now, and we're in a good financial position. But we cannot stop there."

OMB Director Jenifer O'Neal forecast a FY 2021 revenue of \$773.4 million, which is down from FY 2019 actual revenue of \$845.2 million.

The Director's breakdown of the revenue forecast for FY 2021 is:

- Individual Income Tax – \$407.1 million (\$443.7 million in FY 2019)
- Gross Receipts Tax – \$185.9 million (\$190.1 million in FY 2019)
- Real Property Tax – \$53 million (\$56 million in FY 2019)
- Corporate Income Tax – \$60.7 million (\$67.4 million in FY 2019)
- Trade & Excise Tax – \$2.1 million (\$2 million in FY 2019)
- Other Operating Revenue – \$64.5 million (\$86 million in FY 2019)

"We do expect for 2021 the number is lower because, again, in the 2020 calendar year so far, we've had a number of closures, and a number of businesses have not been open for a long period of time," Director O'Neal said. "A lot of people haven't really been working, so we do expect our tax base will be a lot less and collections, therefore, will be a lot less in 2021."

According to a Moody's Revenue Analysis done for OMB, the FY 2021 budgeted revenue of \$773.4 million is followed by an estimated FY 2022 revenue of \$756.3 million and an estimated FY 2023 revenue of \$850.4 million.

Some of the key points from the various agencies' presentations at the Revenue Estimating Conference include:

- The Property Tax collection forecast for FY 2021 of \$58 million is on track with FY 2020's forecast of \$54.7 million and actual amount of \$62.9 million.
- Excise Tax losses as of October 30, 2020, are \$80.9 million.
- Total Tax Revenue for FY 2020 was \$822,379,518, comprising \$262 million in Gross Receipts Taxes; \$454 million of individual income taxes; \$68 million of corporate income taxes; and \$32.4 million in finds from other Bureau of Internal Revenue funds.
- As of October, the Territory's unemployment rate is 9.4% with 4,220 unemployed – 1,700 of 20,867 unemployed on St. Croix (8.1%) and 2,520 of 24,050 unemployed on St. Thomas-St. John (10.1%).
- Air visitor arrivals from January-August 2020 were 281,699, down 39% from 464,926 from the same period in 2019.
- Hotel Tax revenue from FY 2020 was \$17.7 million, down from \$20.5 million in FY 2019.
- Cruise arrivals are not anticipated to return until spring 2021, and expected passenger arrivals will be down considerably for the year.
- Hotel Tax revenues will be reduced for FY 2021, and the continued postponement of major properties, such as the Marriott, coming back online further contribute to the delay in revenue growth.
- Airlines continue to bring back service with increased frequency, and additional carriers are introducing service.

Video of the entire Revenue Estimating Conference is available on [WTJX's Facebook page](#) and copies of the presentations are available on the OMB website: [omb.vi.gov](http://omb.vi.gov).

###