

BILL NO. 35-0222

Thirty-Fifth Legislature of the Virgin Islands

January 18, 2024

An Act amending title 29 Virgin Islands Code, chapter 12, section 713e (a) relating to granting an exemption from the payment of franchise taxes for entities providing affordable housing

PROPOSED BY: Senator Marvin A. Blyden

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. Title 29 Virgin Islands Code, chapter 12, section 713e (a) is amended in paragraph (3) by striking the period at the end of the paragraph and inserting “; and” and by adding a paragraph (4) that reads follows:

“(4) franchise taxes, provided that evidence is supplied, at the time of purchase, in the form of a restrictive covenant or other such binding document, limiting the use of the purchased property to affordable housing development.”

BILL SUMMARY

This bill grants an exemption from the payment of franchise taxes for entities providing affordable housing. The purpose of this language is to lower the cost of properties and homes constructed for the purpose of affordable housing. At the same time, it seeks to minimize opportunities for fraud by ensuring that, in order to utilize the exemption, a binding document is required to show that the property will be dedicated solely to affordable housing development.

BR23-0142/January 19, 2023/SLR/Updated by HLF