



April 23, 2025

The Honorable Ron Estes
2234 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Estes:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, we write to thank you for introducing H.R. 858, the Restore Economic Vitality and Investment in the Virgin Islands Act (REVIVE VI Act) and to offer NTU's endorsement of this legislation.

Your bill would fix a glitch in the Tax Cuts and Jobs Act (TCJA) that unintentionally applied the Global Intangible Low Tax Income (GILTI) regime to mainland U.S. residents who are shareholders of USVI businesses, while not adding these new taxes to foreign shareholders in the same corporations. This glitch effectively eliminated tax benefits that were previously provided by Congress to the USVI in support of territorial economic development. As a result, investment by American businesses in this U.S. territory have declined, increasing the likelihood that territorial assets will be sold to foreign firms.

This narrowly written bill would carefully fix this glitch, while avoiding potential abuse by large corporations simply trying to avoid taxation. The bill would:

- Exclude from GILTI income that is attributable to personal services performed by individuals in the USVI, and only to the extent that the "US shareholder" of the USVI business who has the GILTI inclusion is an individual, estate, or trust.
- Permit U.S. shareholders that are "closely held" corporations to receive this exclusion if they acquired their shares before 2024, ensuring that U.S. taxpayers who operate real businesses in the USVI are not punished while preventing potential future abuse by multinational corporations.

When writing big bills in a short period of time, Congress sometimes is prone to making small mistakes along the way. This glitch was not the only one in the TCJA: the [retail glitch](#) and the [grain glitch](#) were both fixed by small changes after

the TCJA was passed. We urge Congress to pass this fix to repair this unintended harm to the USVI's economic development policies.

Overall, NTU has supported [policies](#) that would simplify, harmonize, and [optimize](#) federal tax law on U.S. territories, like [Puerto Rico](#). American businesses operating in U.S. territories need and deserve fair tax treatment that is more competitive than what non-American businesses receive. At the very least, American businesses should not be placed at a comparative disadvantage because of our tax laws. Historically, Congress has not always been fair or consistent in this regard.

Thank you for introducing the REVIVE VI Act, and for your support of efforts to improve the economic vitality of this important American territory. We look forward to working with you to build support for this legislative effort and to ensure its passage into law.

Sincerely,

Pete Sepp
President

David Timmons
Senior Policy Manager

