



OFFICE OF INSULAR AFFAIRS

**U.S. Department
of the Interior**

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Contact: OIAPress@ios.doi.gov

**Office of the Assistant Secretary
Insular and International Affairs**

Trump Administration Announces Release of \$338 Million to Guam and the U.S. Virgin Islands in Rum and Section 30 Tax Payments for FY 2021

WASHINGTON – The Trump Administration, through the U.S. Department of the Interior’s Office of Insular Affairs, announced today the release of \$338,059,936 to Guam and the U.S. Virgin Islands (USVI). The payment includes \$65,109,936 to Guam for federal income tax advance payments under Section 30 of the Organic Act of Guam for fiscal year 2021 and \$272,950,000 to the USVI in rum tax cover-over payments for estimated FY 2021 rum tax collections in the territory.

“The Office of Insular Affairs works closely with the Internal Revenue Service to ensure quick and smooth transfer of these taxes back to the USVI and Guam once available,” said **U.S. Department of the Interior Assistant Secretary Douglas W. Domenech**. “Secretary Bernhardt and I appreciate that these funds will be critical to Guam and the U.S. Virgin Islands as they work to manage health and economic impacts of the coronavirus pandemic in the territories.”

Under the Revised Organic Act of the Virgin Islands ([48 USC Chapter 12 Section 1541](#)), any excise tax collected on USVI manufactured rum imported into the mainland United States is transferred to or “covered-over” to the USVI. The USVI Government submits an advance estimate of rum excise taxes to the Department of the Interior’s Office of Insular Affairs (OIA) on an annual basis so that a payment can be made in September of each fiscal year. Any adjustments necessary are calculated and paid later based upon amounts advanced from rum excise taxes derived from the USVI and actual receipts collected by the federal government.

Under Guam’s Organic Act, federal income taxes derived from active members of the United States Armed Forces and pensions paid to retired civilian and military employees of the United

States who reside on Guam are annually “covered-over” to the Guam Treasury to support the operations, activities, and programs of the local government ([48 U.S. Code 1421 Section h](#)).

Through changes made under the National Defense Authorization Act of 2017 ([U.S. Public Law 114-328, Section 1703](#)) some of these funds are set aside for the Guam World War II Claims Fund at the U.S. Department of the Treasury (Treasury). In March of 2020, [Interior Secretary Bernhardt applauded President Trump](#) when he signed H.R. 1365, which made technical corrections to the Guam World War II Loyalty Recognition Act. This legislation, passed by the House and Senate, authorized the Treasury to issue payments to survivors of Guam’s occupation by Imperial Japanese Forces during World War II.

All payments are certified by the U.S. Department of the Treasury.

The Assistant Secretary, Insular and International Affairs, [@ASIIADomenech](#), and the [Office of Insular Affairs](#) (OIA) carry out the Secretary of the Interior’s responsibilities for the U.S. territories of American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands. Additionally, OIA administers and oversees federal assistance under the Compacts of Free Association to the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. Follow and “like” OIA on Facebook at <https://www.facebook.com/InsularAffairs>.

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