

Virgin Islands

There is no duty on imports from the United States to the Virgin Islands, but 26 USC § 7653(a) (2) provides that:

§ 7653. Shipments from the United States.

(a) Tax imposed.--

. . .

(2) Virgin Islands.--There shall be imposed in the Virgin Islands upon articles imported from the United States a tax equal to the internal revenue tax imposed in such islands upon like articles there manufactured.

As is the case with respect to United States goods entering Puerto Rico, Guam and American Samoa, United States imports to the Virgin Islands are exempted from the operation of the United States internal revenue laws. Provisions allowing a drawback of internal revenue tax, where applicable, also extend to these articles. (See 26 USC §§ 7653(b) and (c), quoted above).

There is, however, an "ad valorem" import duty of 6% on foreign goods brought into the Virgin Islands. ^{*/} This dates back to the time when the Islands were in Danish hands. See The Organic Act, § 36.

^{*/} Government of the Virgin Islands, Facts About Doing Business in the Virgin Islands at 9.