



## [Economic Development Commission Small Business Program](#)

Tax benefits give business owners an opportunity to grow their business in the U.S. Virgin Islands. This same opportunity is also provided for our local small businesses through tax benefits that are offered by the EDC Small Business Program.

For additional information on how the EDC small business program compares to the regular program, you can [view the comparison](#) here.

**Mandate:** The Commission shall endeavor to encourage and assist in the creation, development and expansion of locally-owned businesses and industries originating in the U.S. Virgin Islands.

The Commission may:

- (1) Reduce the minimum investment requirement of section 708(a) of this chapter to not less than \$20,000; and
- (2) Reduce the minimum employment requirement of section 708(f) of this chapter to not less than two (2) employees. However, the participant shall hire one (1) VI resident for every \$1,000,000 of net income prior to salaries.
- (3) Notwithstanding and in addition to the residency requirements of section 708 of this chapter, the participant shall agree in writing to purchase or build a home in the US Virgin Islands within 18 months of obtaining benefits as evidence of permanent residency in the USVI and commitment to the Virgin Islands community.

Notwithstanding section 713a(b) of this chapter, the term for a participant in the Small Business is fifty percent of the otherwise applicable term that would apply to a participant in the Economic Development Program.

However, at the conclusion of the initial term, a participant in the Small Business Program may apply for an extension.

## **What is a Small Business?**

1. Owned wholly or in part by a person eligible for assistance under the eligibility provisions.
2. Whose receipts from all sources from any year cannot reasonably be expected at the time of application for assistance to exceed
  - \$1,000,000, whose investments total \$20,000 and which employs at least two persons; or
  - Receipts exceed \$1,000,000 but are not more than \$1,500,000, whose investments total at least \$30,000 and which employs at least three persons; or
  - Receipts are more than \$1,500,000 but less than \$2,500,000, whose investments total at least \$40,000 and which employs at least four persons
  - Receipts exceed \$2,500,000 but are less than \$3,000,000, whose investments total at least \$50,000 and which employs not less than five persons
  - Receipts exceed \$3,000,000 but are not more than \$4,000,000, whose investments total at least \$60,000 and which employs not more than 50 person.

## **Certification**



In order to receive the required certification, an applicant is required to submit to the SBDA evidence that they meet the residency requirements and demonstrate that such owner (s) are active in the management of the business on a full time basis and that the business is their principal means of support.

## **SBDA Eligibility Criteria & Requirements**

A person shall be eligible if he or she:

- Owns at least fifty percent(50%) legal or equitable interest in small business concern, either established or to be established in the US Virgin Islands.
- Is active in the management or operation of a small business concern on a full-time basis and such small business concern is or will be his principal means of support.
- Was born in the United States Virgin Islands; or his mother or father was born in the USVI and he has been a bona fide continuous resident of the USVI for at least five years; or he has been a bona fide continuous resident of the United States Virgin Islands for at least 10 years.
- A small business concern, including firms, partnerships of all kinds and corporations, shall be eligible if at least 50% legal equitable interest therein is owned by a person or persons eligible under the above provisions

If you have specific questions about the EDC Small Business Program, you may contact the EDC at 340-714-1700 on St. Thomas or 340-773-6499 on St. Croix.

**Related Content:** [EDC Program Comparison](#)

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