

TITLE 4: ECONOMIC RESOURCES
DIVISION 1: REVENUE AND TAXATION

§ 1712. Special Sourcing Rules of Certain United States Individuals.

(a) For any United States individual moving to the Commonwealth from Guam, American Samoa, and/or the United States, irrespective of any other provision of law, the following sourcing rule will apply if a United States individual was a resident of the United States, Guam, or American Samoa and then becomes a resident of the Commonwealth: the rules found in Internal Revenue Code Section 877(c) without regard to Section 877(a) or (b), shall apply to such a individual for a 10 year period beginning when such a person becomes a resident of Guam, American Samoa, or the Commonwealth.

(b) If such a individual during a 10 year period was a resident of the United States and/or Guam and/or American Samoa and then such individual thereafter moved to the Commonwealth and became a resident, the rules found in IRC Section 877(c) without regard to Section 877(a) or (b) will apply to both moves as follows:

(1) For 10 years after leaving the United States or Guam or American Samoa, IRC Section 877(c) without regard to Section 877(a) or (b) will apply to all items of gross income.

(2) Ten years after leaving Guam or American Samoa, IRC Section 877(c) without regard to Section 877(a) or (b) will apply as amended, to mirror the term Guam or American Samoa where the term United States appears in that statute.

(c) Every taxpayer having income subject to these sourcing rules shall file and pay the appropriate tax pursuant to Section 935 of the Internal Revenue Code without a foreign tax credit.

(d) This section shall apply to dispositions after December 31, 1985, in taxable years ending after such date.

Source: PL 9-22, § 1 (§ 1712).