

TENTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE

SENATE BILL
NO. 10-23

FIRST REGULAR SESSION, 1996

AN ACT

To make a technical amendment to 4 CMC § 1501(a) to clarify that the Bar Tax is intended to apply only to alcoholic beverages; and for other purposes.

BE IT ENACTED BY THE TENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings. The Legislature finds that the current language of 4 CMC § 1501(a), which neglects to make clear that the bar tax applies only to alcoholic beverages, is confusing to some persons. The current bar tax provision enacted by Public Law 9-22 simply recites the same language used to impose the tax under prior law, but with a higher tax rate. The Legislature finds that the former law was interpreted to apply only to alcoholic beverages (non-alcoholic beverages being classified as food), and no taxpayer has ever been compelled to pay bar tax on the sale of non-alcoholic beverages. Nevertheless, an unfortunate ambiguity exists in the statute. Under the old tax code, this ambiguity was of little concern. But since Public Law 9-22 increased this tax to more than three times its former rate, the ambiguity is no longer acceptable. Since this bill merely clarifies the language in existing law, making no substantive changes, it is not a revenue bill which would have to originate in the house.

Section 2. Amendment. 4 CMC § 1501(a), as enacted by Public Law 9-22, is hereby amended to read:

“(a) There is imposed upon any person doing business in any establishment located in the Commonwealth which is licensed to serve alcoholic beverages for consumption on the premises of the establishment, a tax in the amount of ten percent (10%) of the total charge for any alcoholic beverage sold or consumed at the establishment. Commencing January 1, 1998, this tax shall be in the amount of six percent (6%). 'Alcoholic beverage' means any beverage containing alcohol.”

Section 3. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 4. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.

Section 5. Effective Date. This Act shall take effect upon its approval by the Governor or upon its becoming law without such approval.

CERTIFIED BY:

ATTESTED TO BY:

/s/ Jesus R. Sablan
JESUS R. SABLAN
PRESIDENT OF THE SENATE

/s/ Henry DLG. San Nicolas
HENRY DLG. SAN NICOLAS
SENATE LEGISLATIVE SECRETARY

 Approved this 19th day of March, 1997.

/s/ Froilan C. Tenorio
FROILAND C. TENORIO
GOVERNOR
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS