

TENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

PUBLIC LAW NO. 10-74

H.B. NO. 10-406, SD1

FIRST SPECIAL SESSION, 1997

AN ACT

To amend Public Law 9-22 in order to re-establish the tax equity between corporations and non-corporations that existed prior to its enactment; and for other purposes.

BE IT ENACTED BY THE TENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Title. This Act may be referred to as “The Tax Equity Amendment Act of 1997.”

Section 2. Legislative Purpose and Intent. Public Law 9-22 amended the CNMI Code, among other ways, by reducing the amount of tax relief or rebate that persons are entitled to in the CNMI. The new formulation of the rebate base had the unfortunate side-effect of increasing individual tax burdens in some cases as much as tenfold while, in contrast, the corporate burden was only doubled. Moreover such a large overall increase in the general amount of revenues collected by the government represents an unjustified demand upon the hard earned resources of CNMI citizens. It is the purpose of this Act to re-entitle taxpayers, other than corporations, to the rebate levels that existed prior to the enactment of Public Law 9-22. To accomplish this end, 4 CMC Section 1708(b)(1)(A), as enacted by Public Law 9-22, is amended by this Act to so provide for this purpose. Section 1708(b)(1)(B) of 4 CMC as enacted by Public Law 9-22 regarding tax relief or rebates for taxpayers who are corporation, is not intended to be affected in any way by this Act.

Section 3. Repealer and Re-enactment. 4 CMC Section 1708(b)(1)(A), as enacted by Public Law 9-22, is amended to read:

“(A) in the case of a taxpayer who is not a corporation:	
If the rebate base is:	The rebate amount is:
not over \$20,000;	90% of the rebate base.
over \$20,000 but not	
over \$100,000;	\$18,000 plus 70% of the
	rebate base over \$20,000.

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over \$100,000;

\$74,000 plus 50% of the
rebate base over \$100,000.”

Section 4. 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 5. 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 6. Effective Date. Upon its approval by the Governor or upon its becoming law without such approval, this Act shall take effect on October 1, 1997 (the first day of 1998 Fiscal Year).

CERTIFIED BY:

ATTESTED BY:

/s/ Diego T. Benavente
DIEGO T. BENAVENTE
Speaker
House of Representative

/s/ Evelyn C. Fleming
EVELYN C. FLEMING
House Clerk

Approved this 19th day of December, 1997

/s/ Froilan C. Tenorio
FROILAN C. TENORIO
Governor
Commonwealth of the Northern Mariana Islands