

TENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

PUBLIC LAW NO. 10-80

HOUSE BILL NO. 10-416

SECOND SPECIAL SESSION, 1997

AN ACT

To repeal 4 CMC, Section 1202(b)(4); and for other purposes.

BE IT ENACTED BY THE TENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Purpose. 4 CMC section 1202(b)(4), as amended by Public Law 9-22, imposes an "earnings tax" on interest, dividends, rents, royalties or similar income earned in and derived from a person in the Commonwealth and received by a resident not in the course of carrying on a business.". This tax, which was created by P.L. 9-22, imposes an undue burden on persons living on a fixed income, especially older people. It is therefore the purpose of this legislation to repeal the earnings tax currently imposed on interest type earnings in the Commonwealth.

Section 2. Repealer. 4 CMC Section 1202(b)(4), as amended by Public Law 9-22 is hereby repealed.

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herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes.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.

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Section 5. Effective Date. This Act shall take effect upon its approval by the Governor or upon its becoming law without such approval and shall affect all taxes beginning Tax Year 1997.

CERTIFIED BY:

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

ATTESTED BY:

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

Approved this 6th day of January, 1998.

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