

ELEVENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

EIGHTH SPECIAL SESSION, 1999

PUBLIC LAW NO. 11-121

H. B. NO. 11-513

AN ACT

To provide for exemption from gross revenue tax for interest income received by a financial institution from a loan made to the CNMI Government and to allow an income tax rebate on income paid on such income; and for other purposes.

**BE IT ENACTED BY THE ELEVENTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

Section 1. Short Title. This Act may be cited as the Capital Improvement Projects Tax Relief Act of 1999.

Section 2. Findings and Purpose. The Legislature finds that in the interest of lowering the cost of borrowing money under the interim financing authorized pursuant to Public Law 11-102, the CNMI shall provide to the financing institution a tax relief from the gross revenue tax, and allow an income tax rebate for any taxes paid under the NMTIT on interest income received by any financing institution pursuant to Public Law 11-102.

Section 3. Tax Relief. The tax imposed under 4 CMC § 1304 shall not apply to interest income received by the financing institution from loans made to the CNMI Government pursuant to any interim financing arrangement authorized under Public Law 11-102.

Section 4. Exemption From Rebate Limitation. Notwithstanding the rebate limitation set forth in 4 CMC § 1708(d)(1), the rebate offset amount shall be allowed on any income tax paid on interest income received by the financing institution pursuant to the interim financing arrangement authorized under Public Law 11-102.

Section 5. 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 6. 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herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes.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 on the date this Act becomes effective.

Section 7. Effective Date. This Act shall take effect upon its approval by the Governor or upon its becoming law without such approval.

CERTIFIED BY:

/s/ Diego T. Benavente
DIEGO T. BENAVENTE
SPEAKER
HOUSE OF REPRESENTATIVES

ATTESTED TO BY:

/s/ Evelyn C. Fleming
EVELYN C. FLEMING
HOUSE CLERK

Approved this 7th day of February, 2000

/s/ Pedro P. Tenorio
PEDRO P. TENORIO
GOVERNOR
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS