

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

CIVIC CENTER, SAIPAN, MARIANA ISLANDS

Volume 5 Number 2

Page 1789 to Page 1882

Date of Publication: February 28, 1983



# Commonwealth

# Register

---

Published monthly by the Registrar of Corporation  
Office of the Attorney General  
Saipan, Mariana Islands 96950

# CONTENTS

The Commonwealth Register is editorially organized according to the Commonwealth or other agency issuing the documents published or having an immediate administrative or enforcement concern over them. Listing in these contents or publishing in the sections that follow in this manner is for public information and has no legal significance.

## PUBLIC NOTICE - Emergency Regulations for the Department of Natural Resources

Promulgation of Emergency Regulations Establishing  
a Quarantine for Rota Fruits and Vegetables .....Page 1789

Proposed Regulations to Place a Quarantine  
Upon Fruits and Vegetables from Rota .....Page 1791

## PUBLIC NOTICE - Emergency Regulations for Revenue and Taxation Office

Emergency Revenue and Taxation Regulations No. 8301 ...Page 1794

Proposed Revenue and Taxation Regulations No. 8301 ....Page 1796

## PUBLIC NOTICE - Proposed Regulations for the Department of Public Health and Environmental Services

Proposed Marine and Fresh Water Quality Standards  
Regulations for Public Law 3-23 .....Page 1869

CNMI Marine and Fresh Water Quality Standards .....Page 1871

The Commonwealth Register is published on the fifteenth day of each month or on the next succeeding business day, by the Registrar of Corporations, Office of the Attorney General, Commonwealth of the Northern Mariana Islands, Saipan, Mariana Islands 96950. Distribution is made by the Registrar of Corporations, Office of the Attorney General, Commonwealth of the Northern Mariana Islands, Saipan, Mariana Islands 96950.

The Commonwealth Register provides a uniform system for making available to the public the regulations, rules, decisions, orders and notices issued by Commonwealth agencies and required to be published and other Commonwealth agency documents of public interest.

The Commonwealth Register will be furnished to subscribers for \$48 per Volume (12 issues), payable in advance. The charge for individual copies is \$5 for each part as actually bound. Remit check or money order made payable to the Treasurer, Commonwealth of the Northern Mariana Islands, to the Registrar of Corporations, Office of the Attorney General, Commonwealth of the Northern Mariana Islands 96950.

There are no restrictions on the republication of material appearing in the Commonwealth Register.

Filed this 107 day of

February 19 83.

Office of Registrar of Corporations  
Commonwealth of the Northern Mariana Islands

PUBLIC NOTICE

PROMULGATION OF EMERGENCY REGULATIONS ESTABLISHING  
A QUARANTINE FOR ROTA FRUITS AND VEGETABLES

The Director of Natural Resources under authority vested in his office by Public Law No. 1-8, Chapter 13, Section 5, and Title 25 sections 2 and 4 Trust Territory Code hereby issues regulations to establish a quarantine as to Rota fruits and vegetables which will take effect immediately pursuant to Title 17 Trust Territory Code Section 4(2).

The Director of Natural Resources, with the concurrence of the Governor of the Commonwealth of the Northern Mariana Islands, finds that the public interest requires adoption of these regulations upon fewer than thirty days notice because the fruits and vegetables of the island of Rota are suffering from an infestation of fruit flies. The islands of Tinian, Saipan and the Northern Islands have no fruit flies and the introduction of fruit flies to these islands could destroy their agricultural resources. At present there is no quarantine to stop Rota fruits and vegetables infested with fruit flies from being transported into other islands. Therefore, a quarantine must be declared immediately.

1/28/83  
Date

  
NICOLAS M. de LEON GUERRERO  
Director, Natural Resources

Concurred By:

2/1/83  
Date

  
PEDRO P. TENORIO  
Governor

I MANA EFECTIBON EMERGENCY NA REGULASION MA ESTABLESEN  
QUARANTINA PARA FRUTA YAN GOLAI SIHA GINEN ROTA

I Directot Natural Resources segun i autoridadna nui maentrega i oficinaña gi papa i Lai Publico Numero 1-8, Capitulo 13, Secciona 5 yan gi Codigon i Trust Territory, Titulu 25, Secciona mina 2 yan 4, nunanahuyon regulasion nui para umaestablesi quarantinan fruta yan golai siha ginen Rota ni para ueffectibo ensegidadas sigun gi Titulu 17, Secciona 4(2) gi Codigon i Trust Territory.

I Directot Natural Resources, con aproebasion i Gobietnon i Commonwealth I San Katan na Islas Marianas, hadetetmina con interes i Publico na necesario na uma-adopta este na regulasion siha gi halom i menos que trenta dias na noticia pot rason na i fruta yan golai i islan Rota ni nafandaño nui hinalom i lalu "fruit flies". I islan Tinian, Saipan yan i san katan na isla siha, taya gi presente este na clasen lalu "fruit flies" ya necesario na maprotehe finkas fangualuan i este siha na islas Marianas.. Gi presiente taya quarantina nui para mana pa'ra i transpottasion osea hinalom fruta yan golai siha ginen Rota para i otro isla siha. Pot eso na necesario umadeclara ensegidadas este na quarantina.

1/28/83  
Fecha

Nicolas M. Leon Guerrero  
NICOLAS M. LEON GUERRERO  
Directot Natural Resources

Ma Aproeba nui:  
2/1/83  
Fecha

Pedro P. Tenorio  
PEDRO P. TENORIO  
Gobietno

Filed this 1st day of  
February 19 83.

Office of Registrar of Corporations  
Commonwealth of the Northern Mariana Islands  
PUBLIC NOTICE

PROPOSED REGULATIONS TO PLACE A QUARANTINE  
UPON FRUITS AND VEGETABLES FROM ROTA

The Director of Natural Resources is proposing to promulgate regulations to establish a quarantine upon the fruits and vegetables of Rota in accordance with Public Law No. 1-8, Chapter 13, Section 5 and Title 25 Trust Territory Code Sections 2 and 4.

These regulations will establish a quarantine upon fruits and vegetables from Rota prohibiting their introduction upon other islands of the Commonwealth in order to prevent the spread of infestation by the fruit fly to the agricultural resources of islands other than Rota.

Copies of the proposed regulations may be obtained from the Department of Natural Resources, Saipan, CM 96950.

Anyone interested in commenting on the proposed regulations may do so by submitting comments in writing to the Director, Department of Natural Resources, Saipan, CM 96950 within thirty days from the date this notice is published in the Commonwealth Register.

1/28/83  
Date

Nicolas M. de Leon Guerrero  
NICOLAS M. de LEON GUERRERO  
Director, Natural Resources

Ma Proposa Na Regulacion Pot Para Managuahaye  
Quarantina Para Fruta Yan Golai Siha Ginen Rota

I Directot Natural Resources hapropoposa na para manaefectibo regulasion pot para maestablisi quarantine para fruta yan golai Rota, segun gi Titulo 25, Secciona 2 yan 4 gi Codigon Trust Territory.

Este na regulasion siha para uestablesi quarantine para fruta yan golai siha ginen Rota, maprohibe maintroduse osea munahalom para otro isla siha gi halom Commonwealth pot para ma'adahi naufamta osea umachalapun i lalu "fruit flies" gi finkas fangualuan i islas Marianas fueraha ke Rota.

Copian maproposito na regulasion siñaha manae ginen Oficinan Depatamenton Natural Resources, Saipan, CM 96950.

Quatket petsona nui haintereres "mancomment" osea uoppi pot i maproposito na regulasion siha masedi na husubmite i ineppenna gi tinigi guato gi Directot, Depatamenton Natural Resources, Saipan, CM 96950 gi halom trenta dias ginen mafechan este na tinige gi halom Commonwealth Register.

1/28/83  
Fecha

Nicolas M. Leon Guerrero  
NICOLAS M. LEON GUERRERO  
Director, Natural Resources

Filed this 18 day of

February 19 83.

Office of Registrar of Corporations

Commonwealth of the Northern Mariana Islands

PROPOSED RULES AND REGULATIONS

*J.*

DEPARTMENT OF NATURAL RESOURCES

Section 1. Quarantine.

There is hereby established in the Commonwealth of the Northern Mariana Islands a quarantine upon all fruits and vegetables from the island of Rota. No fruits or vegetables that have been present on Rota shall be allowed on any other island of the Commonwealth.

Section 2. Exceptions.

Those fruits or vegetables which are "root crops" shall not be subject to exclusion. "Root crops" consist of plants in which the edible portion is the root, including but not limited to, taro,

Section 3. Inspection.

All animals, plants or parts thereof from the island of Rota are subject to inspection. All aircraft and vessels or their cargoes and passengers and their baggage are subject to inspection if the aircraft or vessel has stopped in Rota.

1/28/83

Date

Nicolas M. de Leon Guerrero

NICOLAS M. de LEON GUERRERO  
Director, Natural Resources



Commonwealth of the Northern Mariana Islands  
Office of the Governor  
Saipan, Mariana Islands 96950

FOR OFFICIAL USE  
CABLE ADDRESS  
GOV. NMI SAIPAN  
REPLY TO:  
Rev. & Tax.  
DEPT. or ACTIVITY

February 3, 1983

PUBLIC NOTICE

EMERGENCY  
REVENUE AND TAXATION REGULATIONS NO. 8301

The Director of the Department of Finance, in accordance with Public Law No. 1-8, Public Law No. 3-11 and 17 TTC 4(2), hereby, finds that the present lack of regulations governing Public Law No. 3-11 is inhibiting the administration and enforcement of the Revenue and Taxation Act of 1982 which jeopardizes the resources and the interest of the Commonwealth. The public interest, therefore, requires the immediate promulgation of Emergency Revenue and Taxation Regulations No. 8301 to act as interim regulations until the procedures mandated by Title 17 of the Trust Territory Code for promulgation of permanent regulations may be complied with. The regulations as set forth hereinafter are to be effective for a period of 120 days after promulgation, unless repealed or modified at an earlier time as provided by the laws of the Commonwealth.

Certified By:

*Rudy Sedmik*  
RUDY SEDMIK

Acting Director of Finance

*2/4/83*  
Date

Concurred By:

*Pedro P. Tenorio*  
PEDRO P. TENORIO

Governor

*2/4/83*  
Date

Filed this 4th day of

February 19 83.

Office of Registrar of Corporations  
Commonwealth of the Northern Mariana Islands

Date of Filing with Registrar

*Sasam*

*Timothy H. Bellas*  
Registrar of Corporations



Commonwealth of the Northern Mariana Islands  
Office of the Governor  
Saipan Mariana Islands 96950

FOR OFFICIAL USE  
CABLE ADDRESS  
GOV. NMI SAIPAN  
REPLY TO:  
REV. & TAX.  
DEPT. or ACTIVITY

Febreru 3, 1983

NOTISIAN PUBLIKO

EMERGENCY  
NA REGULASION I REVENUE YAN TAXATION NUMERO 8301

I Direktor i Finansial, pot para u-konsiste yan i Lai Publiko Numero 1-8, Numero 3-11 yan Titulo 17 gi Kodigun i Trust Territory, ha sodda na gi presente taya regulasion gumobiet-bietna i Lai Publiko Numero 3-11 ya ininturorompe i administrasion yan areglamenton i Revenue yan Taxation na Akto ni ma pasa gi 1982, yan lokue chinachanda i interes yan rikesan i gobietnamento. I interes i publiko ginagagao amano siña na chinaddek uma establese este i Emergency Revenue yan Taxation Regulasion Numero 8301 komo temporario na regulasion estake ma establasi i permanente na regulasion segun i ginagagao ni Titulo 17 gi Kodigun i Trust Territory. I regulasion ni ma mensiona guine para umana efektibo 120 dias na tiempo, solo ma diroga pat ma tulaika gi halom i tiempo ni ginagagao sigun gi lai.

Sinettifika As:

*Rudy Sedmik*  
RUDY SEDMIK  
Acting Direktor i Finansial

*2/4/83*  
FECHA

Kinenfotma As:

*Pedro P. Tenorio*  
PEDRO P. TENORIO  
Gobierno

*2/4/83*  
FECHA

Filed this *4th* day of

*February* 19 *83*

Office of Registrar of Corporations  
Commonwealth of the Northern Mariana Islands  
Fecha Anai Ma Presenta gi Register

*Timothy H. Bellos*  
Registrar i Corporation



Commonwealth of the Northern Mariana Islands  
Office of the Governor  
Saipan, Mariana Islands 96950

FOR OFFICIAL USE  
CABLE ADDRESS  
GOV. NMI SAIPAN  
REPLY TO:  
REV. & TAX.  
DEPT. or ACTIVITY

February 3, 1983

Filed this 4th day of  
February 1983.

PUBLIC NOTICE Office of Registrar of Corporations  
Commonwealth of the Northern Mariana Islands

PROPOSED REVENUE AND TAXATION REGULATIONS NO. 8301

*Stasam*

The Director of Finance, in accordance with Section 818, Chapter VIII of Public Law No. 3-11, and Section 8, Chapter 11, Title 1 of Public Law No. 1-8, is proposing to promulgate new rules and regulations to be identified as Revenue and Taxation Regulations No. 8301 of the Division of Revenue and Taxation.

The proposed regulations include the following subjects:

1. Part I - General Provisions
  - Sec. 1.818.1 - Authority
  - Sec. 1.818.2 - Purpose
  - Sec. 1.818.3 - Customs Service
    - Subsec. 1.818.3(a) - Administration and Enforcement
  - Sec. 1.818.4 - Revenue Service
  - Sec. 1.818.5 - Rota and Tinian District Offices
  - Sec. 1.818.6 - Regulation Superseded
  - Sec. 1.818.7 - Definitions
2. Part II - Gross Revenue Taxes
  - Sec. 2.104(c) - Form of Business Subject to Taxation
  - Sec. 2.104(k) - Definitions Relating to Gross Revenues of Business
  - Sec. 2.104(t) - Casual Sales
  - Sec. 2.104(u) - Definition of Sources within the Commonwealth--Determination of Sources of Income

- Sec. 2.104(u)(2) - Wages and Salaries of Non-Commonwealth Government Employees
- Sec. 2.104(u)(3) - Contracts
- Sec. 2.301 - Filing of Form OS-3105
  - Subsec. 2.301(a) through (d) - Tax Tables I, II, III, and IV (for Jan.1 - Dec. 31, 1982)
  - Subsec. 2.301(e) - Tax Tables I, II, III, and IV (for tax beginning Jan. 1, 1983)
- Sec. 2.302 - Agricultural Producers and Fisheries
- Sec. 2.303 - Manufacturers and Wholesalers
- Sec. 2.304 - Banks, Banking Institutions, Building and Loan Associations, and other Financial Institutions
- Sec. 2.402 - Government Sale
- Sec. 2.701 - Citizens or Residents of the Northern Mariana Islands
  - Sub-sec. 2.701(d) - Declaration of Estimated Tax (examples and computation of est. tax)
  - Sub-sec 2.701(e) - Nonresident Aliens
- Sec. 2.804(a) - Employer's Withholding Tax Table
- Sec. 2.804(b) - Sale or Transfer of Business
  - Sec. 2.804(b)(1).1 - The Employer's Income Tax Quarterly Withholding Return, Form OS-3705
  - Sec. 2.804(b)(1).2 - Payment Deposit Form 500
  - Sec. 2.804(b)(1).3 - Annual Reconciliation of Employer's Income Tax Quarterly Withholding
  - Sec. 2.804(b)(2).1 - Effective Date (on withholding tax on wages and salary by employers pursuant to sec. 804 of PL 3-11; and examples)
  - Sec. 2.804(b)(2).2 - Record Maintenance
  - Sec. 2.804(e).1 - Employee's Quarterly Wage and Salary Tax Return and Tax Tables
  - Sec. 2.804(e).2 - Employee's Annual Wage and Salary Tax Return
- Sec. 2.805 - Businesses Dissolved During a Taxable Year
  - Sec. 2.805(d).1 - Application for Apportionment
  - Sec. 2.805(d).2 - Refund of Overpayment of Business Gross Revenue Tax

- Sec. 2.808.1 - Production of Records of Taxpayers Pursuant to CNMI Tax Laws
- Sec. 2.808.2 - Record Maintenance
- Sec. 2.818.1 - Requirement of Business Taxpayers to File Quarterly Tax Returns
- Sec. 2.818.2 - Permanent Change of Residence Outside the Commonwealth of the Northern Mariana Islands
- Sec. 2.818.3 - Trust Territory or Northern Mariana Islands Government Employment

3. Part III - Excise and Miscellaneous Taxes and Customs Procedure

- Sec. 3.401(a) - Commercial Use
- Sec. 3.401(b) - Exemption
- Sec. 3.401(c)(5).1 - Wine and Sake for Religious Use
- Sec. 3.401(c)(5).2 - Refunds
- Sec. 3.402.1 - General Excise Tax
- Sec. 3.402.2 - Exemption from the General Excise Tax
- Sec. 3.405 - Damage or Nonreceipt
- Sec. 3.406.1 - Payment of Taxes - Release of Goods
- Sec. 3.406.2 - Entry and Declaration of Imports Arriving by Freight
- Sec. 3.406.3(1) - Arrivals - Master's Responsibility
- Sec. 3.406.4 - Departures - Master's Responsibility
- Sec. 3.407.1 - Refunds - Exports
- Sec. 3.407.2 - Restrictions
- Sec. 3.501(b) - Recording Each Sale of Beverages (as of July 1, 1982)
- Sec. 3.605.1 - Electrical Power and Water Billings to be Paid at Revenue and Taxation Office
- Sec. 3.605.2 - Mailing of Bills
- Sec. 3.605.3 - Interest Charges to be Assessed to All Delinquent Utility Accounts
- Sec. 3.605.4 - Utility Account Considered Delinquent If It Remains Unpaid 30 days after Bill is Mailed or Delivered
- Sec. 3.605.5 - Dispute in Billings
- Sec. 3.605.6 - RESERVED

- Sec. 3.605.7 - 15% Interest to be Imposed per Annum on Unpaid Utility Charges
- Sec. 3.605.8 - Discontinuation of Services
- Sec. 3.803(b) - Payment to the Marianas Visitors Bureau
- Sec. 3.818.1 - Destination and Disembarkation
- Sec. 3.818.2 - Customs Entry and Declaration
- Sec. 3.818.3 - Customs Entry and Declaration to be Supplied by Carriers
- Sec. 3.818.4 - Arrival of Cargo by Freight
- Sec. 3.818.5 - Release of Perishable Merchandise
- Sec. 3.818.6 - Non-payment of Excise Taxes When Due
- Sec. 3.818.7 - Samples
- Sec. 3.818.8 - Postal Inspection
- Sec. 3.818.9 - Release of Merchandise Without Customs Clearance
- Sec. 3.818.10 - Inspection of Baggage
- Sec. 3.818.11 - Inspection of Cargo
- Sec. 3.818.12 - Inspection of Passenger
- Sec. 3.818.13 - Persons Requiring Inspection
- Sec. 3.818.14 - Departing or Prospective Passengers and Crew Members
- Sec. 3.818.15 - Passengers and Crew Members with Baggage
- Sec. 3.818.16 - Oaths
- Sec. 3.818.17 - Individuals Waived Inspection
- Sec. 3.818.18 - Domestic Travellers - Required Inspection
- Sec. 3.818.19 - Penalty
- Sec. 3.818.20 - Unclaimed Baggage
- Sec. 3.818.21 - High Risk Area
- Sec. 3.818.22 - Confiscating of Merchandise
- Sec. 3.818.23 - Unclaimed Merchandise
- Sec. 3.818.24 - Auction
- Sec. 3.818.25 - Payments
- Sec. 3.818.26 - Spectators

Sec. 3.818.27 - Request, Cancellation, Delay and Charges

Sec. 3.818.28 - Customs Exemption for Domestic Travelers, Sec. 404, Chapter 13, 33 TTC (CNMI)

4. Part IV - Administration, Personnel, and Procedure

Sec. 4.810.1 - Right of Appeal and Preparing Protests for Unagreed Cases

Sec. 4.810.2 - General Rules on How to Appeal a Case Within the Department of Finance, Division of Revenue and Taxation

Sec. 4.810.3 - Written Protest

Sec. 4.818.3 - Restrictions

Sec. 4.818.4 - Rank

Sec. 4.818.5 - Bribery of Customs Officials and Other Revenue and Taxation Employees

Sec. 4.818.6 - Informer's Name Confidential

Sec. 4.818.7 - Membership and Affiliation

Sec. 4.818.8 - RESERVED

Sec. 4.818.9 - Pass

Sec. 4.810.4 - Representation

Sec. 4.810.5 - Appeal to the Courts

Sec. 4.818.1 - Uniforms and Identification

Sec. 4.818.2 - Restricted Areas

Sec. 4.818.10 - Procedure - Permanent Deposit

Sec. 4.818.11 - False and Fraudulent Statement

Sec. 4.818.12 - RESERVED

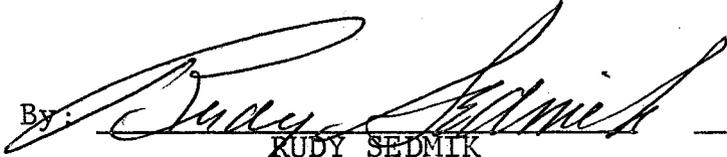
Sec. 4.818.13 - RESERVED

Effective Date of regulations

The proposed emergency regulations may be inspected at the Division of Revenue and Taxation, Central Office, Chalan Piao, Commonwealth of the Northern Mariana Islands, Saipan, CM 96950. These regulations are published in the Commonwealth Register. Copies of the register may be obtained from the Attorney General's Office.

The Office of the Director of Finance is soliciting views, opinions, facts and data for or against the proposed Revenue and Taxation Regulations No. 8201 from the general public.

Anyone interested in commenting on the proposed emergency Revenue and Taxation Regulations No. 8201 may do so by submitting in writing to the Director of Finance, Office of the Governor, Civic Center, Susupe, Commonwealth of the Northern Mariana Islands, Saipan, CM 96950, within thirty (30) days from the date this notice is published in the Commonwealth Register.

Certified By:  2/4/83  
RUDY SEDMIK Date  
Acting Director of Finance



Commonwealth of the Northern Mariana Islands  
Office of the Governor  
Saipan, Mariana Islands 96950

FOR OFFICIAL USE  
CABLE ADDRESS  
GOV. NMI SAIPAN  
REPLY TO:

Rev. & Tax.  
DEPT. or ACTIVITY

February 3, 1983

Filed this 7th day of

February 19 83.

NOTISIAN PUBLIKO Office of Registrar of Corporations  
Commonwealth of the Northern Mariana Islands

PROPOSITO NA AREGLAMENTO NUMERO 8301  
PARA I REVENUE YAN TAXATION

I Direktor i Finansial, segun i Seksiona 818, Kapitulu VIII gi Lai Publiko Numero 3-11, yan Seksiona 8, Kapitulu 11, Titulu I, gi Lai Publiko Numero 1-8, ha propopone para una guaha nuevo na areglamento yan regulasion, ya para u ma rekognisa komo Revenue yan Taxation Regulasion No. 8301.

1. Patti - Heneral Na Probision
  - Seksiona 1.818.1 - Atoridat
  - Seksiona 1,818.2 - Minito
  - Seksiona 1.818.3 - Setbision i Customs
    - Patti gi Seksiona 1.818.3(a) - Administrasion yan Areglamento
  - Seksiona 1.818.4 - Setbision i Ofisinan Revenue
  - Seksiona 1.818.5 - Ofisina Siha Giya Luta yan Tinian
  - Seksiona 1.818.6 - Regulasion Siha Ni Man Tinilaika
2. Patti II - Rinesiben Finkas Para Aduana
  - Seksiona 2.104(c) - Forman Bisnes Ni Debi De Ufan Man Apase Aduana
  - Seksiona 2.104(k) - Sustansia Ni Ha Explilika i Koleksion Salape Gi Bisnes Siha
  - Seksiona 2.104(t) - Casual Sales
  - Seksiona 2.104(u) - Detitminasion Ginana Siha
  - Seksiona 2.104(u)(a). - Suetdon Empleyao Siha Fuera De Empleyao Govietnon I Commonwealth
  - Seksiona 2.104(u)(3). - Coctrata Siha

- Seksiona 2.301 - Prinisentan i Forman OS-3105
- Seksiona 2.301(a) asta (d) - Guiya Este i Forma Anai A'anok Kuantu Na Aduana Para Uma Apase Desde Enero Dia 1 Asta Disiembre 31, 1982
- Seksiona 2.301.(e) - Guiya Este i Forma Anai A'anok Kuantu Na Aduana Para Uma Apase Effektibo Gi Enero Dia 1, 1983
- Seksiona 2.302 - I Man Man Produkta Kosas Agrikultura yan Tasi
- Seksiona 2.303 - Para Man Fabrika yan Kometsio Ni Man Bebendi Pot Trosu
- Seksiona 2.304 - Banko yan Todo Ayo Siha Na Bisnes Ni Man Nana Ayao Salape
- Seksiona 2.402 - Binendin Gobietnu Siha
- Seksiona 2.701 - Siudadano Osino Residenten i San Katan Na Islas Marianas
- Patti Gi Seksiona 2.701(d) - Deklarasion Aduana Ni Ma Balua
- Patti Gi Seksiona 2.701(e) - Ti Man Residente Siha yan Estranjero
- Seksiona 2.804(a) - Hinalla Siha Ginen i Suetdon i Empleao
- Seksiona 2.804(b) - Mabendi Osino Ma Transferan i Bisnes
- Seksiona 2.804(b)(1).1 - Areglamento Ni Ma Forma Para i Man Man-empleleya (Forma OS-3705)
- Seksiona 2.804(b)(1).2 - Form 500 Ni Para Man Deposititan Apas
- Seksiona 2.804(b)(1).3 - Report i Uttimun i Sakan Na Apas Aduana Ni Minantiene Ni Man Man-empleleya (Forma OS-3710)
- Seksiona 2.804(b)(2).1 - Effektibu Na Fecha (guiya este ayo siha i apas aduana ginen i empleyao ni minantiene nu i man man-empleleya sigun i ginagagao ni Lai 3-11; yan mostra siha)
- Seksiona 2.804(b)(2).2 - Minantiene Dokumento
- Seksiona 2.804(e).1 - Forma Ni Para U Prinisenta Ginen Kada Empleao i Aduanan Kada Tres Meses
- Seksiona 2.804(e).2 - Forma Ni Para U Prinisenta Ginen Kada Empleao i Aduanan i Uttimun i Sakan
- Seksiona 2.805 - Bisnes Siha Ni Man Para Duranten i Sakan Ni Debi Ufan Man Apase Apas Kontribusiun
- Seksiona 2.805(d).1 - Aplikasion Para Ambros

- Seksiona 2.805(d).2 - Ma Nanalon i Finkas Ni Ma Apase Mas Ki i Ginagagao Nu i Lai Para i Apas Aduana Pot Bisnes
- Seksiona 2.808.1 - Dokumenton i Bisnes Nu i Debi De Ufan Ma Na-anok Sigun i Ginagagao Nu i Lai
- Seksiona 2.808.2 - Minantienen Dokumento
- Seksiona 2.818.1 - Ninesesita Nu i Lai Na Todo i Man Gai Bisnes Na Ufan Na Halom Report Kada Tres Meses
- Seksiona 2.818.2 - Permanente Na Tinilaikan Residencia Gi Hiyong i San Katan Na Islas Marianas
- Seksiona 2.818.3 - Trust Territory Osino San Katan Na Islas Marianas Na Empleao Gobietnamento
3. Patti III - Aduana yan Ayo Siha Na Kosas Ni Mana Fan Hahalom Gi San Katan Na Islas Marianas, Otro Klasen Aduanayon yan Lokue Areglamenton i Customs
- Seksiona 3.401(a) - Uson Kometsiu
- Seksiona 3.401(b) - Ti Aduanayon
- Seksiona 3.401(c)(5).1 - Bino yan Sake Para Uson Relijion Siha
- Seksiona 3.401(c)(5).2 - Ma Na-nalon i Apas Aduana
- Seksiona 3.402.1 - Heneral Na Aduanayon Ni Para Ufan Ma Apase i Kosas Ni Mana Halom Ginen Hiyong i San Katan Na Islas Marianas
- Seksiona 3.402.2 - Ti Man Aduanayon Na Kosas Ni Mana Halom Ginen Hiyong i San Katan Na Islas Marianas
- Seksiona 3.405 - Man Daño yan Ti i Man Ma Resibe
- Seksiona 3.406.1 - Apas Aduana - Sinettan Kosas
- Seksiona 3.406.2 - Deklarasion Entrada Ni Man Halom Siha Na Kosas Gi Batkon Tase Osino Batkon Aire
- Seksiona 3.406.3(1) - Finato - Responsabilidad i Kapitan Batkon Tasi Osino Batkon Aire
- Seksiona 3.406.4 - Hinanao - Responsabilidad i Kapitan Batkon Tasi Osino Batkon Aire
- Seksiona 3.407.1 - Mana Nalo - Mana Hanao Para Otro Lugat
- Seksiona 3.407.2 - Prinihibi
- Seksiona 3.501(b) - Ma Notan Binende Komo Serbesa, Fotti, yan Todo Klasen Gimn Fuera De Leche (desde Julio 1, 1982)
- Seksiona 3.605.1 - Kobransan Elektriseda yan Hanom Una Apase Gi Ofisinan Aduana

- Seksiona 3.605.2 - I Man Manafan Huyong, Siha Na Kobransa Para i Publiko yan Bisnes Siha
- Seksiona 3.605.3 - Interes Ni Mana Halom Gi Kobransa Pot Delinkuente Apas Elektrisada yan Hanom
- Seksiona 3.605.4 - Todo Kobransan Elektrisada yan Hanom Ni Ti Ma Apase Gi Halom 30 Dias Man Ma Konsidera Komo Delinkuente
- Seksiona 3.605.5 - Ti Man Akonfotma Na Kobransa
- Seksiona 3.605.6 - MA RISETBA
- Seksiona 3.605.7 - Todo Kobransa Ni Man Delinkuente, 15 Pot 100 Na Interes Gi Sebla Para Uma Na Daña yan i Kobransa
- Seksiona 3.605.8 - Ma Diskontinuasion i Setbisio
- Seksiona 3.803(b) - Apas Para i Marianas Visitors Bureau
- Seksiona 3.818.1 - Uttimon Biahe yan Para Tumunog
- Seksiona 3.818.2 - Forma Ni Ma Presenta Yangin Humalom Hao Ginen Otro Lugat Gi Hiyong i San Katan Na Islas Marianas
- Seksiona 3.818.3 - I Dueño Osino i Representanten i Batkon Tasi Pat Batkon Aire Siha, Para Una Siguru Na Guaha Forma Para Todo i Man Mafato Na Pasajero Ginen Hiyong i San Katan Na Islas Marianas
- Seksiona 3.818.4 - Hinalom Katga Gi Batkon Aire Osino Batkon Tasi
- Seksiona 3.818.5 - Masottan Katga Ni Siña Man Daño Yangin Ti Ma Chule Gi Haane Anai Matto
- Seksiona 3.818.6 - Ti Man Maapase Na Aduana Anai Mato i Tiemponna
- Seksiona 3.818.7 - Mostra Siha
- Seksiona 3.818.8 - Rikonosimento Gi Post Office
- Seksiona 3.818.9 - Masottan Katga Sin Atoridat Ginen i Ofisinan Customs
- Seksiona 3.818.10 - Rikonosimenton Maleta yan Kahita
- Seksiona 3.818.11 - Pikonosimenton Katga (Freight)
- Seksiona 3.818.12 - Rikonosimenton Pasaheru
- Seksiona 3.818.13 - Persona Siha Ni Debi De Ufan Ma Rikonosi
- Seksiona 3.818.14 - Para Man Hanao yan Man Keke Hanao Na Pasaheru yan Lokue i Miembrun Marinero
- Seksiona 3.818.15 - Pasaheru yan Marinero Ni Man Gai Katga
- Seksiona 3.818.16 - Man Hula

Seksiona 3.818.17 - Individual Siha Ni Ti Nesesario  
Na Ufan Ma Rikonosi

Seksiona 3.818.18 - Pasaheru Ni Man Biahe Gi Halom  
i San Katan Na Islas Marianas Ni Debi De Ufan Ma  
Rikonosi

Seksiona 3.818.19 - Pena

Seksiona 3.818.20 - Katga Ni Ti Man Machule

Seksiona 3.818.21 - Atrebi Na Lugat

Seksiona 3.818.22 - Madetiene Na Efektos

Seksiona 3.818.23 - Ti Man Ma Chule Na Efektos

Seksiona 3.818.24 - Atmoneda

Seksiona 3.818.25 - Apas

Seksiona 3.818.26 - Espektadot

Seksiona 3.818.27 - Pekuesta, Kansela, Ditiene yan  
Gastu

Seksiona 3.818.28 - Todo Persona Ni Man Biahe Gi  
Entalo i San Katan Na Islas Marianas Man Ma Sedi  
Na Ufan Halom Sin Ufan Ma Rikonosi

4. Patti IV - Administrasion, Personal Yan Areglamento

Seksiona 4.810.1 - Derechon Inapela yan Ma Preparan  
Kontestasion Pot Chinatkonfotma Na Kausa

Seksiona 4.810.2 - Regulasion Heneral Anai Anok  
Taimano Ma Apela i Kausa Guato Gi Depattamenton  
Finansial, Ofisinan i Revenue yan Taxation

Seksiona 4.810.3 - Tinigi Protestasion

Seksiona 4.810.4 - Representasion

Seksiona 4.810.5 - Apela Guato Gi Kotte

Seksiona 4.818.1 - Unifotme yan Identifikasion

Seksiona 4.818.2 - Proibidu Na Lugat

Seksiona 4.818.3 - Proibidu Siha

Seksiona 4.818.4 - Titulun Empleao

Seksiona 4.818.5 - Mafahan i Oficial Customs yan  
Empleao i Revenue yan Taxation

Seksiona 4.818.6 - I Naan Manngekeha Tisiña Ma  
Diskuti

Seksiona 4.818.7 - Miembro yan Hafa Na Titulu

Seksiona 4.818.8 - MA Risetba

Seksiona 4.818.9 - Pass

Seksiona 4.818.10 - Areglamenton i Permanente Na  
Deposita

Seksiona 4.818.11 - Fatso yan Dinagi Na  
Deklarasion

Seksiona 4.818.12 - MA RISETBA

Seksiona 4.818.13 - MA RISETBA

Efektibo Na Fechan i Regulasion

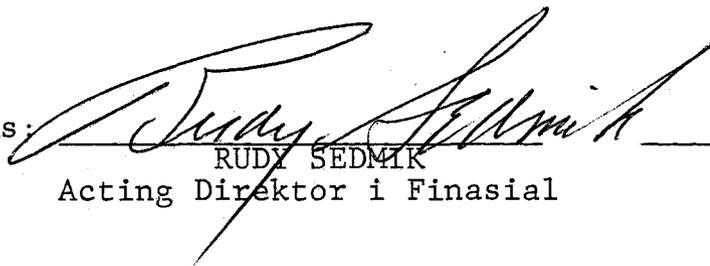
I regulasion ni ma pasa siña ma rikonosu gi ofisinan i  
Revenue yan Taxation gi Capitol Hill, Saipan.

Este na regulasion ma publika gi Commonwealth Register. Siña  
manule hao kopian esta na publikasion gi ofisinan i Abogadon  
Gobietno.

I ofisinan i Direktor i Finansial mamamaisen idea, fakto yan  
nota ginen i publiko kao mauleg osino makokontra este na  
propositun regulasion numero 8301.

Todo man interesao na personal ni para ufan na halom opinion  
ni fumabot, osino ma kokontra este na regulasion, man ma  
fafai sen na u ma satmite i matugi na opinion niha guato gi  
ofisinan Direktor i Finansial gi Civic Center, gi halom 30  
dias desde i fecha anai ma publika este na notisia gi  
Commonwealth Register.

Sinettifika As:

  
RUDY SEDMIK  
Acting Direktor i Finansial

2/4/83  
FECHA



REVENUE AND TAXATION REGULATIONS NO. 8301  
OFFICE OF THE DIRECTOR OF FINANCE  
DEPARTMENT OF FINANCE  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

PART I

Filed this 4th day of  
February 19 83.

Office of Registrar of Corporations  
Commonwealth of the Northern Mariana Islands

*Dusa*

GENERAL PROVISIONS

Section 1.818.1. Authority. The authority for the promulgation and issuance of Revenue and Taxation Regulations No. 8301 is by virtue of Section 818, Chapter VIII of Public Law 3-11 and Section 8, Chapter 11, Title 1 of Public Law 1-8.

Section 1.818.2. Purpose. The purpose of the regulations is to establish policy and procedures to implement and provide uniform enforcement of the Revenue and Taxation Act of 1982; to require complete customs service to control imports of all articles, wares, or merchandise for the assessment and collection of taxes and for the interception of harmful elements and other contraband; and to establish administrative and appeal procedures.

Section 1.818.3. Customs Service.

(a) Administration and Enforcement.

(1) The Customs Service of the Commonwealth of the Northern Mariana Islands shall consist of trained men and women under the supervision of the Chief of the Division of Revenue and Taxation. Men and women of the Customs Service are law enforcement officers who are engaged in the enforcement of the excise tax law, the Controlled Substances Act, the Weapons Control Act, and other local and federal laws enforced at the ports of entry; and in the interception of other contraband such as items quarantined by law.

(2) The Chief of the Division of Revenue and Taxation, however, may utilize, by agreement, the personnel services and facilities of other agencies of the Commonwealth Government of the Northern Mariana Islands or other government agencies for proper enforcement of excise tax laws, other laws enforced at the ports of entry, and these and other related regulations.

(b) Function.

(1) The Division of Revenue and Taxation of the Northern Mariana Islands shall administer and enforce all excise tax laws and shall intercept illicit imports of narcotics, nonregistered weapons, and other contraband at the ports of entry; and is hereby authorized to develop procedures and policies including procedures and policies for the purpose of conducting searches on individuals, not covered by these regulations, necessary for the proper functioning of the Customs Service. All monies due pursuant to excise tax laws shall be collected by the Division of Revenue and Taxation and be deposited with the Treasurer of the Commonwealth Government of the Northern Mariana Islands.

(2) The Division of Revenue and Taxation of the Commonwealth of the Northern Mariana Islands shall maintain all records and documents associated with the administration and enforcement of excise tax laws and other related regulations. Only authorized employees of the Division of Revenue and Taxation shall have access to these records and documents. Employees of the Division of Revenue and Taxation are not authorized to furnish any information to any person regarding another person's records maintained pursuant to law and these and other related regulations.

Section 1.818.4. Revenue Service. The Revenue Service of the Commonwealth Government of the Northern Mariana Islands shall administer and enforce all revenue laws, other than the excise tax laws, delegated to the Division of Revenue and Taxation under the supervision of the Chief of Revenue and Taxation. The Revenue Service shall also be responsible for taxpayer assistance, audit of returns, collection of revenue, claims processing, and conference activity.

Section 1.818.5. Rota and Tinian District Offices. The Division of Revenue and Taxation shall have district offices in Rota and Tinian for its activities in these senatorial districts. The functions of the district operations shall be under the supervision of the Director of Finance or his designee.

Section 1.818.6. Regulations Superseded. Revenue and Taxation Regulations No. 8301 supersedes all rules and regulations published prior to January 31, 1983, including those rules and regulations issued to enforce taxation and customs laws and to administer the Division of Revenue and Taxation, previously named "Division of Revenues" (April 1, 1976 - August 16, 1978) and "Marianas District Revenue

Office" (July 1, 1971 - March 31, 1976); Parts 1 through 19 of Public Regulations Release 10-73 (TTG) which superseded all previously issued Budget and Finance Regulations of the Trust Territory; Regulations Release 78-2; Regulations Release 78-3; Administrative Regulations No. 3901; Revenue Regulations No. 5901 and amendments; Customs Regulations No. 7901 and amendments, and Revenue and Taxation Regulations No. 8201.

Section 1.818.7. Definitions.

(a) Aircraft - The word "aircraft" means any contrivance used or capable of being used for flight in the air.

(b) Air Waybill - See Bill of Lading.

(c) Bill of Lading/Air Waybill - Whenever the term "Bill of Lading" is used in these regulations it means documents prepared by the operator or agent of a carrier, or non-vessel operating common carrier (NVOCC), listing and describing the contents of the cargo carried on a vessel or aircraft consigned to a person. "Bill of Lading" shall also mean "Air Waybill."

(d) Board of Directors, Payment to Members of - Compensation for personal services to any person who is a member of any board of directors shall be taxed pursuant to Section 202, Public Law 3-11.

(e) Carrier - The word "carrier" as used herein, unless the context otherwise requires, means any description of craft or other contrivance used, or capable of being used as a means of transportation on the water or in the air and includes pleasure vessels, vessels and non-vessel operating common carriers, and private aircraft.

(f) Casual Sales - Casual sales is defined in Section 2.104(t).

(g) Chief - Whenever the word "Chief" appears in these regulations unless the context otherwise requires, it means the Chief of the Division of Revenue and Taxation.

(h) Customs Agent - Whenever the term "customs agent" is used in these regulations, it means Customs Supervisor, Customs Officer, Customs Inspector, Revenue Officer, Customs Captain, Customs Lieutenant, Customs Major, Customs Technician, and any person authorized to perform the duties of a Customs Agent including persons employed by another government agency.

(i) Customs Jurisdiction - All compounds of all ports listed in Subsection (v) of this section shall be under the jurisdiction of the Customs Service for clearance purposes of international travel.

(j) Customs Territory - For purposes of customs, "customs territory" means the islands and territorial waters which lie within the area north of 14° north latitude, south of 21° north latitude, west of 150° east longitude, and east of 144° east longitude.

(k) Construction Material - For purposes of Section 402(h) of Public Law 3-11, construction materials means materials which are used in and are part of the basic components of a building structure. The basic components of a building structure shall include cement, gravels, lumbers, nails, rebars, windows, doors, pipes, hollow blocks, electrical and plumbing supplies, door and window frames, door knobs, ceramics, tiles, sinks, toilets, and paints.

(l) Director - Means the Director of the Department of Finance of the Commonwealth Government of the Northern Mariana Islands.

(m) Domestic Travel - For purposes of customs, the term "domestic travel" means any travel originating from within the Northern Marianas and terminating in the Northern Marianas without transiting or traveling by way of any port outside of the Northern Marianas.

(n) Gross Vehicle Weight - The term "gross vehicle weight" means the value specified by the manufacturer as the loaded weight of a single vehicle.

(o) International Travel - For purposes of customs, the term "international travel" means any travel originating from within the Northern Marianas and terminating at any port outside the Northern Marianas, or terminating at a port in the Northern Marianas by transiting or traveling by way of any port outside the Northern Marianas, or any travel originating from outside of the Northern Marianas and terminating at any port in the Northern Marianas.

(p) Manifest - The term "manifest," unless the context otherwise requires, means a summary list of passengers or cargo on board a carrier.

(q) Manufacture - For the purpose of these regulations, the term "manufacture" shall mean the art of making raw material into a product suitable for use, sale,

lease, or rental, and includes the techniques and methods of converting finished merchandise into another product for use, sale, lease, or rental.

(r) Merchandise - The word "merchandise" means goods, wares and chattels of every description and includes merchandise the importation of which is prohibited or restricted.

(s) Military and Naval Forces of the United States - Wages and salaries received from the United States by members of the Armed Forces of the United States shall be exempt from tax on wages and salaries under Section 201, Public Law 3-11 as a result of active duty service. Other wages and salaries earned in the Commonwealth of the Northern Mariana Islands shall be deemed taxable under the provisions of this Act.

(t) Normal Working Hours/Days - The term "normal working hours" or "normal working days" means those established hours or days scheduled by the Chief to be worked up to a maximum of eight (8) hours per day and forty (40) hours per week.

(u) NVOCC - Whenever this abbreviation is used in these regulations, it means Non-Vessel Operating Common Carrier.

(v) Official Customs Port of Entry - All vessels and aircraft on international travel and authorized entry into the Customs Territory of the Commonwealth of the Northern Mariana Islands must enter and obtain customs clearance from any of the following official customs ports of entry:

<u>Island</u>	<u>Official Customs Port of Entry</u>
Saipan	Tanapag Harbor (Charlie Dock) and Isley Field (Saipan International Airport).
Rota	Rota Harbors (West Dock) and Rota International Airport.
Tinian	Tinian Harbor and West Tinian Airport.

A vessel or aircraft in distress may anchor or land at any port in the Northern Mariana Islands but shall immediately notify the nearest Customs Service office for immediate customs clearance.

(w) Person - The word "person" means any individual, firm, corporation, association, or partnership.

(x) Prescription Drug - Those drugs which can be obtained only with a written prescription from a physician.

(y) Public Utility - The term "public utility" means any business organization that owns, controls, operates, or manages a business supplying or furnishing the public with commodities, equipment, or services such as telephone, telegraph, television, garbage disposal, sewage disposal, water, electricity, airlines, and shipping lines.

(z) Service - Whenever the word "Service" is used in these regulations, unless the context otherwise requires, it shall mean the Customs Service of the Commonwealth of the Northern Mariana Islands within the Division of Revenue and Taxation.

(aa) Vessel - The word "vessel" includes every description of craft or other contrivance used, or capable of being used as a means of transportation on the water.

(bb) Working Days - The term "working days" includes holiday work, paid annual and sick leaves, and administrative leave.

PART II

GROSS REVENUE TAXES

Section 2.104(c). Form of Business Subject to Taxation.

(1) Unincorporated "Unitary Business" - A "unitary business" is one carrying on one kind of business of which the component parts are too closely connected and necessary to each other to justify division or separate consideration. Unincorporated "unitary business" taxes will be assessed, levied, collected, and paid as required under Chapter III of Public Law 3-11.

Example - Mr. Walker owns a movie theater and in the theater he has a snack bar serving refreshments to the patrons of the theater. The gross income from the theater and the snack bar would be taxed as one business since it is a "unitary business."

(2) Unincorporated "Non-Unitary Business" - A "non-unitary business" is one which shows units of substantial separateness and completeness, such as might be maintained as an independent business and capable of producing profit in and of themselves. "Non-unitary business" taxes will be assessed, levied, collected and paid as required under Chapter III of Public Law 3-11, on each unit of substantial separateness and completeness.

Example - Mr. Johnson owns a grocery store and next to the grocery store he owns a restaurant. Mr. Johnson would have to pay tax on the gross revenue of the grocery store and a separate tax on the gross revenue of the restaurant because it would be a "non-unitary business" with each unit being substantially separate and complete.

(3) Incorporated Business - A corporation consisting of two or more separate and distinct businesses would pay the tax on the combined gross revenues of all the businesses since it is a "unitary business."

Example - Mr. Stein is the sole stockholder of a corporation which consists of a restaurant, grocery store, and fast food outlet. The combined gross revenues of the three (3) businesses would be taxed as one business.

Section 2.104(k). Definitions Relating to Gross Revenues of Business.

(1) Exclusion of Taxes Collected - Gross revenue as defined by Section 104(k), Public Law 3-11, does not include business revenue or receipts which represent taxes imposed upon the purchaser by a taxing authority and collected by the seller. Taxes imposed by Chapter III, Public Law 3-11, are not imposed upon the purchaser of goods, but are imposed upon the gross revenue of a business.

Example (1) - Mr. Z owns a movie theater. The price of a ticket is 75¢ per person which includes a Municipal imposed 10¢ head tax on each ticket. Mr. Z would report his gross revenue on the basis of 65¢ per ticket and exclude the amount of the head tax.

Example (2) - Mr. X owns a grocery store. He is subject to the Business Gross Revenue Tax pursuant to Chapter III, Public Law 3-11. In this case, the Business Gross Revenue Tax is imposed upon the gross revenue of the business and may not be added as a tax upon the sale price of goods and collected from the purchaser.

(2) Exclusions of Amounts Not Collected - Gross revenue as defined by Section 104(k), Public Law 3-11, does not include revenues which are accrued but which are subsequently found to be uncollectible. The amounts of such accrued revenue which are determined to be uncollectible may be deducted from the gross revenue in the year in which it is determined that the revenue is not collectible, provided that the uncollectible amounts were accrued after April 1, 1976. No deduction will be allowed unless a serious effort was made to collect the debt. This may include legal action or other collection efforts.

Example - A business sells merchandise both for cash and on credit, establishing accounts receivable for the credit sales. In 1981, this business has the following sales:

Cash	\$20,000
Credit	15,000
Total	<u>\$35,000</u>

The business pays tax on \$35,000 for 1981. As of December 31, 1981, the business had uncollected accounts receivable in the amount of \$2,400. If in 1982, the business found that any part of the \$2,400 could not be collected after a serious effort was made to collect the debt and so recorded this in its accounting records, the amount written off would be deducted from the taxable gross revenue for 1982. If in 1984, the business recovered any part of the amount written off and deducted in 1982, the total amount collected should be included in the 1984 business gross revenue tax returns of the business.

Section 2.104(t). Casual Sales. Except in connection with a trade or business, any person having annual gross revenue from the combined sales of any property, real or personal, tangible or intangible, of \$5,000 or less shall be considered "casual sales" and therefore exempt from the tax on gross revenues. The lease or rental of one (1) or more properties as described, not in excess of \$5,000 of any type, such as furniture, machinery, equipment, automotive vehicles, land, or buildings shall be considered within the definition of casual sales.

(1) Irrespective of the amount of gross revenue which may be exempt, a business gross revenue return must be filed for the quarter in which combined sales over \$1,000 are made. A refund, if due, will be made only after the close of the taxable year pursuant to Section 809, Public Law 3-11.

Example - Mr. John Doe Torres sold the following items:

One used car	\$ 1,500
Electric Range	300
Electric Clothes Dryer	200
Color Television	350
Total	<u>\$ 2,350</u>

Mr. Torres must file a business gross revenue return for the quarter in which the sale was made.

(2) The lease, rental, or sale of real or personal property, tangible or intangible, in excess of \$5,000 whether a one time or isolated sale or not connected with a trade or business, shall be deemed to be gross revenue and subject to the tax on gross revenue, pursuant to Chapter III of Public Law 3-11.

Section 2.104(u). Definition of Sources Within the Commonwealth--Determination of Sources of Income.

(a) The determination of sources of income is made in accordance with Section 104(u) of Public Law 3-11 and the United States Internal Revenue Code of 1954, as amended, ("Code"), and the Treasury Regulations issued under the Code, as made applicable to the Commonwealth pursuant to Section 601 of the Covenant and Public Law 3-11.

(b) Section 104(u) of Public Law 3-11 defines sources within the Commonwealth for certain taxable events. Section 104(u)(1) and (2) define certain wages and salaries as income from sources within the Commonwealth. Section 104(u)(3) defines business gross revenues derived from contracts between a business and the Commonwealth Government as income from sources within the Commonwealth. All other source income issues are defined in accordance with the mirror image application of the Code and its accompanying Regulations. The mirror image application of Code Sections 861 through 864 determine most source income questions.

Section 2.104(u)(2). Wages and Salaries of Non-Commonwealth Government Employees. Sources within the Commonwealth as it relates to income includes all wages and salaries paid to any employee by the Government of the Trust Territory of the Pacific Islands (TTPI), the Government of the United States of America, or a person incorporated, registered, or otherwise doing business in the Commonwealth; PROVIDED, that such employment is physically performed in the Commonwealth, except for any employment period less than 45 working days or 30 continuous working days per year.

Example. Mr. Carlos Anthony, an employee of the Government of the Trust Territory of the Pacific Islands (TTPI), is a resident of the Commonwealth and physically performs his work in the

Commonwealth. At least every other month, Mr. Anthony flies to the United States for a week of business. As a result, Mr. Anthony spends up to 35 working days outside of the Commonwealth. Pursuant to Section 2.104(u)(2), all of Mr. Anthony's wages are treated as income from sources within the Commonwealth. If Mr. Anthony had either spent more than 45 working days or more than 30 continuous working days while outside of the Commonwealth, all of Mr. Anthony's wages earned while outside of the Commonwealth would be reportable as income from sources without the Commonwealth.

Section 2.104(u)(3). Contracts. Sources within the Commonwealth as it related to income includes all payments received by a business pursuant to a contract it has with the Government of the Commonwealth. The payments are taxable under Chapter III of Public Law 3-11. Payments received by individuals holding contracts for personal services with the Government are taxable under Chapter II of Public Law 3-11.

Section 2.301. Two separate Form OS-3105 must be filed in order to report and pay the business gross revenue tax for the months of April, May, and June, 1982.

(a) One form (Form OS-3105) must show the cumulative total gross revenue from January 1, 1982 through May 31, 1982. The tax for this period is computed by using the following table.

TABLE I

FROM	TO	DEDUCTION	RATE
-0-	2,083.34	-0-	-0-
2,083.35	20,833.34	2,083.34	1%
20,833.35	41,666.67	11,458.35	2%
41,666.68	106,166.67	21,527.80	3%
104,166.68	AND OVER	42,187.53	4%

(b) Another form (Form OS-3105) must show the gross revenue earned in June. The tax for this one month is computed from the following table:

TABLE II

FROM	TO	RATE
-0-	416.67	-0-
416.68	4,166.67	1.5%
4,166.68	8,333.33	2%
8,333.34	20,833.33	2.5%
20,833.34	41,666.67	3%
41,666.68	62,600.00	3.5%
62,600.01	AND OVER	5%

(c) The tax for the third quarter of 1982 is:

TABLE III

FROM	TO	RATE
-0-	1,666.67	-0-
1,666.68	16,666.67	1.5%
16,666.68	33,333.33	2%
33,333.34	83,333.33	2.5%
83,333.34	166,666.67	3%
166,666.68	250,000.00	3.5%
250,000.01	AND OVER	5%

(d) The tax for the fourth quarter of 1982 is:

- (1) For business gross revenue from activities other than manufacturing and wholesaling revenues earned on or after October 1, 1982:

TABLE IV (JUNE 1 - DECEMBER 31)

FROM	TO	RATE
-0-	2,916.67	-0-
2,916.68	29,166.67	1.5%
29,166.68	58,333.33	2%
58,333.34	145,833.33	2.5%
145,833.34	291,166.67	3%
291,166.68	437,500.00	3.5%
437,500.01	AND OVER	5%

(2) For business gross revenue solely from manufacturing and wholesaling activities earned on or after October 1, 1982:

If the annual gross revenue earned from <u>all</u> activities is:	The tax on the gross revenue earned solely from wholesaling and manufacturing is:
(A) \$0 to 5,000	no tax
(B) 5,001 to 50,000	1.5% of total gross revenue from wholesaling and manufacturing over \$0
(C) 50,001 and over	2% of total gross revenue from wholesaling and manufacturing over \$0

(e) The tax beginning January 1, 1983 is:

(1) For business gross revenue from activities other than manufacturing and wholesaling:

TABLE I (JAN. 1 - MAR. 31)

FROM	TO	RATE
-0-	1,250.00	-0-
1,250.01	12,500.00	1.5%
12,500.01	25,000.00	2%
25,000.01	62,500.00	2.5%
62,500.01	125,000.00	3%
125,000.01	187,500.00	3.5%
187,500.01	AND OVER	5%

TABLE II (JAN. 1 - JUNE 30)

FROM	TO	RATE
-0-	2,500.00	-0-
2,500.01	25,000.00	1.5%
25,000.01	50,000.00	2%
50,000.01	125,000.00	2.5%
125,000.01	250,000.00	3%
250,000.01	375,000.00	3.5%
375,000.01	AND OVER	5%

4

TABLE III (JAN. 1 - SEPT. 30)

FROM	TO	RATE
-0-	3,750.00	-0-
3,750.01	37,500.00	1.5%
37,500.01	75,000.00	2%
75,000.01	187,500.00	2.5%
187,500.01	375,000.00	3%
375,000.01	562,500.00	3.5%
562,500.01	AND OVER	5%

TABLE IV (JAN. 1 - DEC. 31)

FROM	TO	RATE
-0-	5,000.00	-0-
5,000.01	50,000.00	1.5%
50,000.01	100,000.00	2%
100,000.01	250,000.00	2.5%
250,000.01	500,000.00	3%
500,000.01	750,000.00	3.5%
750,000.01	AND OVER	5%

(2) For business gross revenue solely from manufacturing and wholesaling activities: See table (d)(2) on page 11.

Section 2.302. Agricultural Producers and Fisheries.

The tax on agricultural producers and fisheries is at the rate of one percent (1%) of gross revenues in excess of \$20,000. Agricultural producers and fisheries will be allowed an exemption of \$5,000 each quarter, cumulative by quarter, to a total of \$20,000 per annum. The total statutory exemption of \$20,000 will be allowed on the fourth quarterly return for the taxable year. Taxpayers who terminate, dissolve, or sell their business during a taxable year must conform to Section 2.804(b). An application will be necessary to receive a refund of any overpayment of tax.

Section 2.303. Manufacturers and Wholesalers.

(a) Businesses solely deriving gross revenue from manufacturing and wholesaling are taxed as follows:

If the annual gross revenue earned is between:	The tax on the annual gross revenue earned is:
(1) \$ 0 to \$ 5,000	no tax
(2) \$ 5,001 to 50,000	1.5% of amount over \$0
(3) \$50,001 and over	2% of amount over \$0

(b) The provisions of Section 303 of Public Law 3-11 apply to corporations consisting of two or more separate and distinct businesses. Such corporations would pay the tax of Section 301 of Public Law 3-11 on the combined gross revenue of the business from activities other than manufacturing and wholesaling. Any additional gross revenue from wholesaling and manufacturing is taxed as follows:

If the annual gross revenue earned on <u>all</u> activities is between:	The tax on the annual gross revenue from wholesaling and manufacturing is:
(1) \$ 0 to \$ 5,000	no tax
(2) \$ 5,001 to \$ 50,000	1.5% of total gross revenue from wholesaling and manufacturing over \$0
(3) \$50,001 and over	2% of total gross revenue from wholesaling and manufacturing over \$0

Section 2.304. Banks, Banking Institutions, Building and Loan Associations, and other Financial Institutions. The tax on the operation of any bank, banking institution, building and loan association, and other lending institutions shall be equivalent to five percent (5%) of the net income received from such business or two percent (2%) of the gross revenue whichever is greater.

Section 2.402. Government Sale. All articles, wares, or merchandise imported by a government agency for use by the government and later sold to a private individual, firm, or organization, are required to be assessed excise tax as provided for in Chapter IV of Public Law 3-11 and must be paid by the purchaser. The excise tax shall be assessed on the selling price of the article, ware, or merchandise. For purposes of this section, selling price excludes overhead charge or other administrative charges imposed by the government agency.

Section 2.701. Citizens or Residents of the Northern Mariana Islands.

(a) Any person, citizen or resident of the Northern Mariana Islands, having gross income from any sources, is subject to the Territorial Income Tax. However, such person having income solely from within the Northern Mariana Islands shall be entitled to a rebate of one hundred percent (100%) of such tax for each taxable year as prescribed by existing law. No amount of such tax imposed on income derived from sources without the Northern Mariana Islands shall be rebated.

(b) Where an employee's wage and salary income arises solely from sources within the Northern Mariana Islands, no withholding of Territorial Income Tax on such wage and salary income shall be required, provided Form W-4 indicating exempt status is filed with the withholding agent. However, pursuant to Section 703(a)(2) of Public Law 3-11, every person is required to file an income tax return on Form 1040NMI on or before April 15, following the close of the taxable year.

(c) Any person, citizen or resident of the Northern Mariana Islands having gross income from both within and without the Northern Mariana Islands, who is a resident of the Northern Mariana Islands on the last day of the taxable year, is subject to Territorial Income Tax on his gross income from without the Northern Mariana Islands. Such person shall file a Territorial Individual Income Tax Return on Form 1040CM on or before April 15, following the close of the taxable year. However, if such person permanently departs the territory between January 1 and April 15, a tax return must be filed prior to departure. In cases where all income data is not available, income from without the Northern Mariana Islands may be based upon the prior year, subject to amendment when all income information is complete.

(d) Declaration of Estimated Tax --

(1) Individuals, citizens, or residents of the Northern Mariana Islands having gross income from without the Northern Mariana Islands who expect to have a tax liability for the taxable year in excess of \$100, not covered by territorial withholding tax, are required to file an estimated tax return with the Director of Finance.

(2) The payment of estimated tax is due in four equal quarterly installments. The tax liability is based upon an allocable percentage of gross income from without the Northern Mariana Islands to total income. The gross income from within the Northern Mariana Islands, rebatable at 100%, is considered in the computation of total income. The estimated tax liability for the current year may be based on the prior years tax liability without the exclusion of foreign earned income.

Example - For the taxable year ending December 31, 1982, the following are the installment payment dates.

- April 15, 1982
- June 15, 1982
- September 15, 1982
- January 15, 1983

Since the Northern Mariana Islands is considered part of the United States beginning in 1979 for income tax purposes, no foreign earned income exclusion for excess cost of living will be allowable under Internal Revenue Code Sections 911 or 913.

Example - Husband and wife, under 65 and in good health, no children, filed a joint return in 1978 reporting U.S. interest income of \$2,000, wages and salaries from NMI of \$18,025. The tax liability without the foreign earned income exclusion from IRC Tax Table is \$2,717.

Computation of Estimated Tax:

	<u>Gross Income</u>	<u>Percentage to Total Income</u>
Income from without NMI	\$ 2,000	.10
Income from within NMI	18,025	.90
	<u>\$ 20,025</u>	<u>100%</u>

The percentage of income from without NMI is 10%; therefore, 10% X the 1978 tax liability of \$2,717 is \$271.70. The 1979 NMI Declaration of Estimated Tax should show \$271.70 which would be payable in the three remaining installments as follows:

June 15, 1979	\$90.57
September 15, 1979	90.57
January 15, 1980	90.56
	<u>\$271.70</u>

(3) Where to File Your Declaration - You should file your Declaration of Estimated Tax with the jurisdiction (United States or the Northern Mariana Islands) with which you would file your income tax return if your tax year were to end on the date your estimated tax return is first due. All subsequent payments should be filed where your original estimated tax return was filed. For further information, see Publication 570, which is available at the Division of Revenue and Taxation.

(e) Nonresident Aliens --

(1) All aliens are considered nonresident aliens unless they acquire residence in the Northern Mariana Islands. The essential quality of a nonresident alien's stay in the Northern Mariana Islands is that of presence as a transient or sojourner, in other words, merely a visitor for a short time. Ordinarily, an alien whose stay in the Northern Mariana Islands is limited to a definite period by the immigration laws is a nonresident alien. However, an alien with a limited visa may be considered a resident alien under certain circumstances. The alien must be able to obtain from immigration authorities the necessary visa extension, or extensions to lengthen his stay into an extended period.

(2) The precise length of an extended period is not set by law. If the alien has resided in the Northern Mariana Islands for as much as one year, there is a presumption that he is a resident, and will be treated as a resident alien for tax purposes.

(3) A nonresident alien of the Northern Mariana Islands is subject to territorial income tax in the same manner as a nonresident alien of the United States and is subject to Territorial Withholding Tax and required to file an income tax return on Form 1040NR pursuant to the provisions of the Internal Revenue Code.

Section 2.804(a). Employers in the Northern Mariana Islands are required to withhold the wage and salary tax from their employees' wages and salaries based on the following withholding tables:

AMOUNT EARNED - WEEKLY		
FROM	TO	RATE
-0-	19.24	-0-
19.25	96.17	2%
96.18	134.63	3%
134.64	288.48	4%
288.49	423.09	5%
423.10	576.94	6%
576.95	769.24	7%
769.25	961.55	8%
961.56	and over	9%

AMOUNT EARNED - BI-WEEKLY		
FROM	TO	RATE
-0-	38.49	-0-
38.50	192.34	2%
192.35	269.26	3%
269.27	576.96	4%
576.97	846.19	5%
846.20	1,153.88	6%
1,153.89	1,538.49	7%
1,538.50	1,923.11	8%
1,923.12	and over	9%

AMOUNT EARNED - SEMI-MONTHLY		
FROM	TO	RATE
-0-	41.70	-0-
41.71	208.37	2%
208.38	291.70	3%
291.71	625.04	4%
625.05	916.70	5%
916.71	1,250.04	6%
1,250.05	1,666.70	7%
1,666.71	2,083.37	8%
2,083.38	and over	9%

AMOUNT EARNED - MONTHLY		
FROM	TO	RATE
-0-	83.41	-0-
83.42	416.74	2%
416.75	583.41	3%
583.42	1,250.08	4%
1,250.09	1,833.41	5%
1,833.42	2,500.08	6%
2,500.09	3,333.41	7%
3,333.42	4,166.74	8%
4,166.75	and over	9%

For the months of April, May, and June of 1982, the withholding tax must be made as follows:

(1) Withholding tax for the months of April and May must be based on the tax tables provided in the Employer's Tax Guide, Publication 10.

(2) Withholding tax for the month of June must be made in accordance with the preceding tax tables.

(3) The combined total of withholding tax made in (1) and (2) above must be reported and paid on a single withholding tax return.

Section 2.804(b). Sale or Transfer of Business. If a business is sold or transferred by one employer to another, each must file a separate return. But neither should report wages paid by the other. Such a transfer occurs, for example, if a sole proprietor forms a partnership or a corporation.

(1) If there has been a change of ownership or other transfer of the business during the quarter, attach a statement showing the name of the present owner; whether the present owner is an individual, a partnership, or a corporation; the nature of the change or transfer; and the date of such change or transfer.

(2) When a statutory merger or consolidation occurs, the obligation of the continuing corporation to file a Form OS-3705 and report wages and salaries is the same as if the continuing and dissolved corporations constituted one person.

(3) Since business licenses are nontransferable, upon any transfer or sale of a business, the new business must obtain an appropriate business license.

Section 2.804(b)(1).1. The Employer's Income Tax Quarterly Withholding Return, Form OS-3705. This is a return used to report the employee's earnings by the employer. It requires the employee's U.S. Social Security number, employee's name, taxable wages, and tax withheld for each employee. Form OS-3705A is the continuation sheet for Form OS-3705. For proper withholding of wage and salary tax, see Section 2.804(a).

Section 2.804(b)(1).2. Payment Deposit Form 500. All taxes withheld by employers beginning July 1982, must be deposited with the Division of Revenue and Taxation as follows:

(i) withholding taxes must be deposited within 15 days after the end of the month in which the

taxes were withheld. Payment Deposit Form 500 must accompany each deposit.

(ii) taxes withheld during the month in which a quarter ends [Section 804(b)(1), Public Law 3-11] may be paid at the time the return for the quarter must be filed. Payment Deposit Form 500 is not required if the payment is accompanied by the return.

(iii) failure to comply with the requirement of this Section shall subject the employer to the ten percent (10%) penalty provision of Section 815, and interest of fifteen percent (15%) per annum pursuant to Section 817 of the Revenue and Taxation Act.

Section 2.804(b)(1).3. Annual Reconciliation of Employer's Income Tax Quarterly Withholding. Employers are required to file the original copy of Form OS-3710 "Annual Reconciliation of Employers Income Tax Quarterly Withholding" on or before January 31 after the close of the taxable year with the Division of Revenue and Taxation. Copy A of Form W-2, Wage and Tax Statement, is required to be attached to the reconciliation form.

Section 2.804(b)(2).1. Effective Date. Withholding tax on wages and salaries by employers pursuant to Section 804 of Public Law 3-11 shall commence on the first day of each employer's first payroll period beginning after December 31. However, the tax rate of Section 201, Public Law 3-11 shall commence on June 1, 1982. Employers shall not change their customary payroll periods if such change would result in the postponement of the effective date on which to commence withholding the tax on wages and salaries.

Example (1). An employer's customary payroll period is weekly from Sunday to the following Saturday. The first payroll period for which the tax is to be withheld is the payroll period beginning December 31, 1981.

Example (2). An employer's customary payroll period is semimonthly for the first day to the fifteenth day of each month and from the sixteenth day to the last day of each month. The first payroll period for which tax is to be withheld is the payroll period beginning January 1, 1982.

Section 2.804(b)(2).2. Record Maintenance. All books and payroll records necessary to determine an employee's wages and salaries and respective withholding taxes imposed by the Commonwealth Government are to be maintained in the

Senatorial District within the Commonwealth where the business operation is conducted and shall be made available for examination not later than ten (10) days beginning with the date when the request is received.

Section 2.804(e).1. Employee's Quarterly Wage and Salary Tax Return. Two separate forms (Form OS-3805) must be filed for the months of April, May, and June, 1982, in the following manner:

(a) One form (Form OS-3805) must show the cumulative total gross revenue from January 1, 1982 through May 31, 1982. The tax for this period is computed by using the following table:

FROM	TO	DEDUCTION	RATE
-0-	2,083.34	-0-	-0-
2,083.35	2,916.67	2,083.34	3%
2,916.68	6,250.00	2,291.67	4%
6,250.01	9,166.67	3,083.34	5%
9,166.68	OVER	4,097.23	6%

(b) A separate form (Form OS-3805) is filed to report the gross wage and salary earned for the month of June. The following tax table is used in computing the tax for this one month:

FROM	TO	RATE
-0-	83.33	-0-
83.34	416.67	2%
416.68	583.33	3%
583.34	1,250.00	4%
1,250.01	1,833.33	5%
1,833.34	2,250.00	6%
2,250.01	3,333.33	7%
3,333.34	4,166.67	8%
4,166.68	and over	9%

(c) The tax for the third quarter of 1982 is:

FROM	TO	RATE
-0-	333.34	-0-
333.35	1,666.67	2%
1,666.68	2,333.34	3%
2,333.35	5,000.00	4%
5,000.01	7,333.34	5%
7,333.35	10,000.00	6%
10,000.01	13,333.34	7%
13,333.35	16,666.67	8%
16,666.68	and over	9%

(d) The tax for the fourth quarter of 1982 is:

FROM	TO	RATE
-0-	583.34	-0-
583.35	2,916.67	2%
2,916.68	4,083.34	3%
4,083.35	8,750.00	4%
8,750.01	12,833.34	5%
12,833.35	17,500.00	6%
17,500.01	23,333.34	7%
23,333.35	29,166.67	8%
29,166.68	and over	9%

(e) The Employee's Quarterly Wage and Salary Tax after January 1, 1983 is:

INCOME LEVEL - FIRST QUARTER		
FROM	TO	RATE
-0-	250.00	-0-
250.01	1,250.00	2%
1,250.01	1,750.00	3%
1,750.01	3,750.00	4%
3,750.01	5,500.00	5%
5,500.01	7,500.00	6%
7,500.01	10,000.00	7%
10,000.01	12,500.00	8%

Section 2.804(e).2. Employee's Annual Wage and Salary Tax Return.

(1) Every employee subject to withholding tax under Section 201 is required to file an Employee's "Annual Wage and Salary Tax Return," Form 1040NMI on or before April 15, after the end of the taxable year. Any additional tax due is payable upon the filing of this return. Any tax determined to be overwithheld or overpaid will be refunded without the necessity of filing an application for refund. Copy B of Form W-2 must be attached to Form 1040NMI. No refund will be made without the Wage and Tax Statement attached.

(2) Employees who perform services during the taxable year, both as an employee receiving salary and wages subject to withholding pursuant to Section 201 and as an individual not subject to withholding tax pursuant to Section 804(e), are required to file the Employee's Annual Wage and Salary Tax Return, Form 1040NMI. An individual subject to tax under Section 804(e) must file quarterly returns during the period his/her wages are not subject to withholding taxes. When employment is terminated, a final quarterly return must be filed, reporting wages paid to the date employment is terminated. The combined salary and wages earned both as an employee subject to withholding tax and as an individual not subject to withholding tax must be reported on the Employee's Annual Wage and Salary Tax Return. Form W-2 must be attached to the tax return. Credit will be given for taxes paid on the Employee's Quarterly Wage and Salary Tax Return.

Section 2.805. Businesses Dissolving During a Taxable Year. Any person who dissolves a business during a taxable year is required to make a final return within fifteen (15) days following the dissolution of the business. A penalty of ten percent (10%) of the tax due shall be added for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it is actually filed; PROVIDED, however, that the minimum penalty shall be twenty-five dollars (\$25.00). Interest of fifteen percent (15%) per annum shall also be imposed on the total amount paid after the deadline prescribed in this section.

Section 2.805(d).1. Application For Apportionment. Application for apportionment of business gross revenue taxes paid for any quarter during the calendar year must be filed within one year after the end of the calendar year in which the amount to be refunded was withheld or paid pursuant to Section 805 (d), Public Law 3-11. This portion of revenue earned outside the Commonwealth of the Northern Mariana Islands shall be reported pursuant to the Territorial Income Tax Law.

25

Section 2.805(d).2. Refund of Overpayment of Business Gross Revenue Tax. A refund of an overpayment of business gross revenue tax will be made after the fourth quarterly return has been filed and reviewed.

Section 2.808.1. Production of Records of Taxpayers Pursuant to CNMI Tax Laws. For the purpose of ascertaining the correctness of any return, making a return where none has been made, determining the liability of any person in respect of any tax, or collection any such tax liability, the Director or his delegate is authorized to:

(a) Examine or request any books, papers, records or other data with or without the taxpayer's consent from any person, which may be relevant or material to such inquiry. The required records shall be made available not later than ten (10) days beginning with the date when the request is received;

(b) Summon the person liable for tax or required to perform the act, or any officer or employee of such person or any person having possession, custody, or care of books of account containing entries relating to the business of the person liable for tax or required to perform the act, or any other person, the Director or his designee may deem proper, to appear before the Director or his delegate at the time and place named in the summons and to produce such books, papers, records, or other data, and to give such testimony, under oath, as may be relevant or material to such inquiry; and

(c) Take such testimony of the person concerned, under oath, as may be relevant or material to such inquiry.

Section 2.808.2. Record Maintenance. All books and records of all business transactions necessary to determine the gross revenue tax and other taxes imposed by the Commonwealth Government are to be maintained within the Commonwealth at the central office of the business operation and shall be made available for examination not later than ten (10) days beginning with the date when the request is received. A full and accurate record of all business transactions necessary to determine the annual business gross revenue tax and other taxes, must be maintained for a minimum of three (3) years after the date of such transaction.

Section 2.818.1. Business taxpayers in every category are required to file quarterly tax returns, reporting their gross revenue, even though no tax liability is due. Books and records must be maintained on the business premises in the Commonwealth where the business operations are conducted.

Section 2.818.2. Permanent Change of Residence Outside the Commonwealth of the Northern Mariana Islands. Every individual in both private and public employment who intends to permanently change his residence during the taxable year to a country outside the Commonwealth of the Northern Mariana Islands, including the United States, its territories and possessions, and depart the Commonwealth, must secure a tax clearance from the Division of Revenue and Taxation, that all fees, taxes, penalty, and interest due and owing the Commonwealth Government have been paid in full. Upon written request for a tax clearance, a determination shall be made within twenty-one days from the date of receipt of the request for clearance or the individual shall be deemed cleared.

Section 2.818.3. Trust Territory or Northern Mariana Islands Government Employment. Where an individual's employment with either government is terminated for any reason and the employee intends to permanently depart the Commonwealth of the Northern Mariana Islands, a tax clearance must be secured from the Division of Revenue and Taxation. A tax clearance requirement shall be made a part of the government's clearance procedure before an employee is officially cleared and terminated from the government position.

## PART III

EXCISE AND MISCELLANEOUS TAXES AND CUSTOMS PROCEDURE

Section 3.401(a). First Sale or Use. There shall be assessed, levied, collected, and paid the Alcohol and Tobacco Excise Taxes upon all individuals importing alcohol and tobacco for sale or use.

Section 3.401(b). Exemption.

(1) The exemption on cigarettes imported for personal use and consumption shall not apply to individuals under the age of 18 years [MIDC §10.04.060; Minor §10.04.040].

(2) The exemption on wine and sake and alcoholic beverages imported for personal use and consumption shall not apply to individuals under the age of 21 years [MIDC §11.12.090(A)].

Section 3.401(c)(5).1. Wine and Sake for Religious Use. Wine and sake imported into the Commonwealth for use in a religious rite by a religious organization are not subject to the Alcohol and Tobacco Excise Taxes. The same treatment is accorded to wine and sake purchased in the Commonwealth or received by a religious organization for use in a religious rite. Wine and sake imported, purchased, or received by a religious organization for purposes other than a religious rite are not exempted from the Alcohol and Tobacco Excise Taxes.

Section 3.401(c)(5).2. Refunds. Businesses selling wine and sake to a religious organization for use in religious rites may be reimbursed the excise tax paid on such wine and sake, provided that a request for refund is filed with the Division of Revenue and Taxation within one year after the sale. The request for refund must be made on the form prescribed by the Director.

Section 3.402.1. General Excise Tax. All merchandise imported into the Commonwealth must be taxed pursuant to Chapter IV of Public Law 3-11. The tax shall be imposed on merchandise brought in by:

(a) returning residents and individuals who are required to reside in the Northern Mariana Islands in order to perform services to satisfy contractual or employment obligations, regardless of the intended length of stay in the Commonwealth;

(b) individuals and businesses for use, sale, manufacture, lease, or rent, and includes commodities brought in for business operational use.

Section 3.402.2. Exemption from the General Excise Tax. The provisions of Section 402 of Public Law 3-11 shall not apply to the following:

(a) Commodities imported by visitors into the Commonwealth if such commodities are for the visitors' personal use and consumption and in a reasonable quantity.

(b) Merchandise or other commodities brought in by a filming company which is licensed to conduct a normal business operation in the Commonwealth, and its only purpose is to film commercials and other movies in the Northern Marianas for a brief period of time.

(c) Educational material and supplies brought in by an instructor from an educational institution for curriculum development and instructional use in public schools in the Commonwealth.

(d) Equipment, device, and other gear brought in by returning residents, intended residents, and visitors to be used by handicapped individuals who are either residing or visiting the Commonwealth. Equipment, device, and other gear authorized under this subsection are as follows:

- (i) Wheelchairs
- (ii) Hearing aids
- (iii) Brailled material
- (iv) Canes
- (v) Walkers
- (vi) Prosthetic devices
- (vii) Braces
- (viii) Crutches
- (ix) Prescription lenses and eye glasses

The exemption shall not apply to those merchandise, equipment, devices, and other gear brought in for sale, lease, or rent to the handicapped.

(e) Gifts brought in by returning residents, visitors, and other individuals; provided, the value of the gift does not exceed fifty dollars (\$50) per passenger. The tax shall be determined in one of the following methods:

(i) Using the value of the item shown on the vendor's sales invoice. The invoice or receipt must bear the printed name of the vendor.

(ii) Using the fair retail value in the Commonwealth for the items brought in.

(f) Household goods imported by intended residents, individuals who are required to reside in the Northern Marianas (regardless of the intended length of

stay), and returning residents after they have established residence outside the Commonwealth for at least two years from the time they left the Commonwealth until they return. For the purpose of this subsection, household goods do not include personal effects.

(g) Chalice, habits, cassocks, vestments, and other items to be used by a religious order.

(h) Tools of repairmen brought in to repair or maintain equipment sold, leased, or rented to consumers in the Commonwealth.

(i) Engines, parts, and other navigational tools and equipment brought in by an airline or shipping line to repair or maintain a vessel or aircraft.

(j) Rented or leased motion picture films and video tapes brought in by a commercial movie or television company for telecasting or public viewing in a theater. This exemption shall not apply to motion picture films and video tapes which are brought in for sale, lease, or rental.

(k) Educational materials shall not include equipment and furniture such as video cassette recorder/player, audio cassette recorder/player, overhead projector, phonograph, movie projector, slide projector, and other instructional audio, video, and visual aids; chairs, desks, and other furniture.

Section 3.405. Damage or Nonreceipt. Any merchandise subject to tax which is not received by the importer or received in damaged condition may be exempted from taxation upon presentation of a certificate of damage or nonreceipt from the carrier or his agent. The carrier or his agent shall either deny the claim or furnish the certificate of damage or nonreceipt within fifteen (15) days after such damage or nonreceipt is reported by the importer. Terminal operators or the carrier of the imported merchandise shall not be required to open shipments for damage inspection. Importers may apply for a refund of taxes paid to the extent of losses incurred on damaged merchandise, nonreceipt, or manufacture defect where such damage was concealed. However, the damage shall be inspected by the customs agent, and depending on his findings may authorize a tax rebate. No tax rebate shall be authorized for damage resulting from improper handling, inadequate or improper storage facility, prolonged storage, or other causes due to the importer's failure to provide such security or necessity. Also, no tax rebate shall be authorized for merchandise with a factory deadline for use, sale, or distribution which was not used, sold, or distributed before the required date.

Section 3.406.1. Payment of Taxes - Release of Goods. Taxes assessed and levied on all products covered in Chapter IV of Public Law 3-11 which are imported, shall be paid within thirty (30) calendar days after the entry of the importing carrier. If the actual amount of the tax cannot be determined within thirty (30) calendar days after the entry, an estimated tax shall be assessed, levied, collected, and paid subject to later adjustment. The imported commodities may be released prior to the payment of the tax; provided, that an entry is made by the consignee, and the consignee has no taxes, fees, or charges due and owing the Commonwealth.

Section 3.406.2. Entry and Declaration of Imports Arriving by Freight.

(1) Entry of Imports - Requirement and Time.

Except as otherwise provided, the consignee of imported merchandise shall make entry therefor either in person or by an agent authorized by him at the Division of Revenue and Taxation within thirty (30) calendar days after the entry of the importing carrier.

(2) Entry Documents.

(i) Entry may be made upon presentation to a customs agent of a non-negotiable copy of the bill of lading or non-vessel operating common carrier's freight bill or bill of lading; and vendor's invoices covering all merchandise arriving on one carrier and consigned to a consignee. If proper documents are not available within thirty (30) calendar days after the arrival of the merchandise, the estimated tax shall be paid subject to adjustment when the documents arrive. However, no release shall be authorized if the consignee has a prior unpaid tax, fee, or charge.

(ii) In addition to the non-negotiable copy of the bill of lading or non-vessel operating common carrier's freight bill or bill of lading, and vendor's invoices, each importer shall sign an Entry Certificate stating under penalty of perjury that the vendor's invoices are true and correct and that no alterations or changes have been made thereto. The Entry Certificate shall be obtained from a customs agent and signed at the time of entry.

Section 3.406.3. Arrivals.

(1) Master's Responsibility - Arrival.

(a) Immediately upon arrival, the master of a vessel or aircraft shall deliver to the customs agent one copy of the manifests, bills of lading or NVOCC's freight bills or bills of lading and general declaration, and also

deliver a true and correct copy of any correction of such manifests, bills of lading or NVOCC's freight bills or bills of lading, and general declaration filed on entry of his vessel or aircraft. If the master is aware of any error in the manifests or bills of lading or NVOCC's freight bills or bills of lading or general declaration and did not make correction, he shall be guilty of perjury and shall also be subject to the penalty of Subsection (e) of this section. The master and his vessel or aircraft, passengers and cargo aboard such vessel or aircraft may be denied customs clearance if these documents are not presented to the Service upon arrival. Clearance may be granted provided the penalty of Subsection (e) of this section is agreed upon by the master of the vessel or aircraft and is subject to collection when the actual assessment is made by the Service. Advance submission of copies of manifests and bills of lading to the Service shall not be authorized. The Service will accept manifests and bills of lading only at the time of arrival of the carrier.

(b) Carriers arriving in the Northern Marianas from more than one port of departure shall deliver to the Service, immediately upon arrival, separate passenger and cargo manifests for all passengers and cargo boarded at each port of departure regardless whether no passengers or cargo were boarded at any one particular port in the travel itinerary of the carrier.

(c) Passengers and cargo transiting on the same flight or voyage arriving in the Northern Marianas must be clearly identified on the manifest by indicating in parenthesis the point of final destination immediately after the passenger's name or the consignee of the cargo.

(d) Passengers on a flight or voyage which terminates in the Northern Marianas and are discharged in the Northern Marianas for purposes of immediate connection on another flight or voyage for points outside of the Northern Marianas shall be reported to the Customs Service, immediately upon arrival of the carrier, in one of the following methods:

(i) File a separate manifest for each port of final destination of such passengers; or

(ii) Identify on the manifest such passengers by enclosing in parenthesis the point of final destination and the connecting flight or voyage number immediately after the names of the passengers.

(e) The Director of Finance, by authority of Section 8, Chapter 11, Title I of Public Law 1-8, imposes a five hundred dollar (\$500) penalty for each and every violation of Subsections (a), (b), (c), and (d) of this section or one hundred dollars (\$100) per hour or a fraction of an hour for each and every violation, whichever is greater, from the time of arrival until the appropriate documents are presented to the Service.

(f) All cargo, including ship's stores and operator's pouch mail or cargo, or U.S. Mail, carried on the vessel or aircraft entering the Northern Marianas must be included on the manifests and related bills of lading. Willful failure to so include such cargo or mail or the presentation of a willfully falsified manifest shall be deemed to be a violation of these regulations and is subject to the penalty provisions of Subsection (e) of this section, and/or a penalty of fifty dollars (\$50.00) for each line item not so included in the manifest.

(g) All passengers and crew members' baggage must be transported directly from the carrier to the arrival area at the port. All other cargo not part of any passengers' or crew members' baggage must be transported directly from the carrier to the warehouse or place designated as the cargo storage area of the carrier.

(h) Upon arrival at the airport, all passenger exit doors, cargo compartment doors, and galley service doors of the aircraft shall remain closed. At the request of the Service, only one passenger exit door may be opened for the purpose of clearing the flight. All other doors may be opened for disembarkation of passengers and cargo only at the approval of the Service.

(i) Upon approval at the pier, no passenger or crew member may disembark or cargo be unloaded until approval to do so is granted by the Service.

(2) Sealing of Stores. Upon the arrival of a vessel from a port outside of the Northern Mariana Islands, or a vessel engaged in the foreign trade from a port within the Northern Mariana Islands, sea stores and ship's stores not required for immediate use or for the delivery of goods to be consumed on board while the vessel is in port and articles acquired abroad by officers and members of the crew for which no permit to land has been issued, shall be placed under seal, unless the customs agent is of the opinion that the circumstances do not require such action. Customs agents in charge of the vessel, from time to time, as in their judgment and necessity requires, may issue stores from under seal for consumption on board the vessel by its passengers and crew.

(3) Boarding of Vessels and Aircrafts. The customs agent may board and examine any vessel or aircraft arriving in the Northern Mariana Islands when it is necessary to carry out the provisions of applicable laws of the Commonwealth of the Northern Mariana Islands, or any rule or regulation promulgated thereunder and require the master or captain thereof to exhibit for examination by the customs agent the manifest or any documents or papers, or any trunk, package or cargo on board, or any compartment, storage area, cabin, galley, cockpit, lavatory, or any section of the vessel or aircraft. The master or captain of the carrier shall ensure the safety of the customs employees from the time of boarding the vessel or aircraft until such employees disembark.

Section 3.406.4. Departure.

(1) Master's Responsibility - Departure

(a) Prior to departure, the master of a vessel or aircraft shall deliver to the customs agent the following documents:

(i) One copy of the general declaration for the port of destination.

(ii) One copy of passenger and cargo manifests for the port of destination. If the flight or voyage has intermediate stops before reaching its final destination, one copy of the passenger and cargo manifests for each intermediate port.

(b) All vessels and aircraft destined for ports outside of the Commonwealth of the Northern Mariana Islands must obtain an Official Customs Clearance Certificate prior to departure. A Customs Clearance Certificate must be requested at least twelve (12) hours prior to expected departure.

(c) The requirements of Subsections (a) and (b) of this section shall not apply to private aircraft and pleasure vessels.

(d) Vessels and aircraft not complying with this section may be denied future customs clearance upon arrival in the Commonwealth of the Northern Mariana Islands and may be subject to either one of the following penalties:

(i) The vessel or aircraft and all passengers, crew members and cargo on board may be returned to the point of origin or other port outside of the Northern Mariana Islands, or

(ii) The master, owner or operator of the vessel or aircraft may pay a fine of One Thousand Dollars (\$1,000) per violation.

(e) Strictly domestic flights or voyages may be exempted from the requirement of this section.

Section 3.407.1. Refunds-Exports. Goods, merchandise, or commodities imported into the Commonwealth for use in the operation of a business shall not be entitled to a refund of taxes actually paid on such goods, merchandise or commodities. This provision shall also cover those items imported to be manufactured or used in the process of making or combining components or materials to create a product or to increase the value of a product which may be exported.

Section 3.407.2. Restrictions.

(a) No excise tax rebate will be authorized for material purchased locally which were either manufactured in the Northern Mariana Islands or imported by another importer, wholesaler, retailer or through another person.

(b) No excise tax rebate will be authorized for material imported by a government agency and later used in a construction project. Irrespective of how the material was disposed of by the government agency, the determination of this subsection will not change. Material imported by a government agency where the excise tax was not paid, shall be paid by the person who later obtained or purchased such material from the agency.

Section 3.501(b). Beginning July 1, 1982, each sale of beverages made in any establishment licensed to serve alcoholic beverages for consumption on the premises of the establishment must be recorded separate from the sale of food on the sales receipts. All sales receipts must be maintained by the establishment for at least three years, and shall be made available for review by the Director or his delegate.

Section 3.605.1. All unpaid electrical power and water charges as of June 30, 1982, and subsequent billings must be paid to the Division of Revenue and Taxation beginning July 1, 1982.

Section 3.605.2. All bills shall be delivered to the consumers either by United States mail or in person. The mailing date shall be the delivery date for all mailed

bills. All changes of mailing addresses must be reported promptly to the utility agency. If a user cannot be reached, at the place where the electrical power and water services are rendered, during regular government working hours, the user shall be required to do one of the following:

(a) Furnish the utility agency with the address where he/she can be reached, or

(b) Authorize an adult to be responsible for receiving and acknowledging the statement of charges. The user must also furnish the address of the authorized representative.

(i) Nonreceipt of a bill does not relieve the consumer from the obligation to pay on a timely basis.

(ii) In the event the consumer failed to furnish a correct address or the name and address of his/her representative, the consumer shall not be relieved from the requirements of Section 3.605.7. In addition, the consumer shall not have any right of action against the utility agency or Division of Revenue and Taxation for the discontinuation of the service(s) due to this failure. Electrical power and water bills not delivered due to insufficient address or inadequate information shall be assessed interest in accordance with the provisions of Section 3.605.7.

Section 3.605.3. All unpaid electrical power and water charges as of June 30, 1982, must be paid on or before September 30, 1982. Amounts not paid by this date shall be assessed interest charges pursuant to Section 3.605.7.

Section 3.605.4. All billings for electrical power and water charges are due and payable upon receipt of the bills by the users. An account is considered delinquent if it remains unpaid thirty (30) days after the bill was mailed or delivered to the user.

Section 3.605.5. Where there is a dispute in the billing, the consumer is not required to pay the amount disputed. The consumer shall refer his/her disagreement to the utility agency. The agency shall take the necessary action to effect the necessary change(s) if required. If the disputed amount is found to be correct by the agency, the consumer shall be assessed the interest charge of Section 3.605.7 using the authority of Section 3.605.4.

Section 3.605.6. (RESERVED).

Section 3.605.7. Interest of fifteen percent (15%) per annum shall be imposed on all unpaid electrical power charges and water charges.

Section 3.605.8. Service(s) may be discontinued if payment or written notice of contest is not received by the Division of Revenue and Taxation within ten days after the account becomes delinquent, or within ten days after a written determination is issued upon a contested account.

Section 3.803(b). Payment to the Marianas Visitors Bureau. The Marianas Visitors Bureau shall receive twenty-five percent (25%) of the taxes collected under Section 404(b) and seventy percent (70%) of the taxes collected under Section 502 of Public Law 3-11. These shares shall be remitted to the Marianas Visitors Bureau on or before the last day of the month following the month in which the collections were made.

Section 3.818.1. Destination and Disembarkation.

(a) Terminating Passengers and Crew Members - Upon arrival at the destination and upon approval to disembark, all passengers and terminating crew members must proceed directly from the carrier to the arrival area at the terminal, by way of passage designated for use by arriving passengers and crew members to gain access to the customs inspection area.

(b) Transit Passengers and Crew Members - All passengers and crew members transiting in the Northern Mariana Islands for points outside of the Northern Mariana Islands are permitted to:

(i) Disembark and proceed directly to the designated area at the terminal for embarking passengers for reboarding, or

(ii) Disembark and proceed with terminating passengers to the customs inspection area and go through customs formalities which will authorize them access to other facilities at the port, or

(iii) Remain on board.

(c) Transfer of Passengers' and Crew Members' Baggage and Hand Carried Articles - Passengers' and crew members' baggage and hand carried articles on international travel arriving in the Northern Mariana Islands and requiring immediate connection aboard another carrier to points outside of the Northern Mariana Islands may be waived customs inspections provided such baggage and hand carried articles are

transferred to the connecting aircraft or vessel by the owner, agent, or operator of the carrier that brought such passengers' and crew members' baggage and under the supervision of the Customs Service.

(d) Northern Islands Destination - Carriers, crew members, passengers, baggage, and cargo on international travel, as defined in these regulations, destined for any islands north of Saipan are required to go through customs formalities at the Saipan international ports, Charlie Dock and Saipan International Airport, before continuing on the journey. After customs clearance in Saipan, the flight or voyage is classified domestic travel.

(e) International Travelers Boarding Domestic Flight or Voyage - All passengers and crew members, including their baggage and hand-carried parcels on international travel aboard one carrier destined to another point in the Northern Mariana Islands with a stopover in Saipan, Rota, or Tinian to board another carrier cruising or flying a domestic itinerary, require customs inspection and clearance immediately upon arrival at the first port of entry in the Northern Mariana Islands. The first port of entry arrived at in the Northern Marianas by passengers and crew members in this type of situation is considered the port of destination for such passengers and crew members.

#### Section 3.818.2. Customs Entry and Declaration.

(a) All passengers and crew members regardless of citizenship must make a customs entry and declaration upon arrival in the Northern Mariana Islands. All articles or merchandise acquired abroad and their value (price actually paid for or, if not purchased, fair retail value in the Commonwealth) must be declared in writing. Written declaration must be signed and presented to the customs agent on duty before examination pursuant to the inspection requirements of Sections 3.818.10 through 3.818.15. All information furnished by the passengers whether orally or in writing shall be testimonies provided under oath. Any person who knowingly shall swear to or verify under oath any false or fraudulent statement with the intent to evade any tax imposed by Public Law 3-11 and/or with the intent to evade these and any other regulations and procedures governing the inspection and clearance of passenger, baggage, or cargo, shall be guilty of a felony, punishable by a fine of not more than Ten Thousand Dollars (\$10,000) or imprisonment for not more than two (2) years, or both.

(b) Terminating crew members who will be in the Commonwealth for the purpose of boarding a subsequent flight or voyage departing the Commonwealth within two (2) hours after their arrival are not required to file a Customs Entry and Declaration, Form CS-1350, if the crew members do not have in their possession at the time of arrival dutiable goods, contraband, or agricultural commodities.

(c) A single customs entry and declaration may be filed with the customs officer upon arrival for immediate family members if traveling together. For purposes of this section, immediate family members are limited only to husband, wife, sons, and daughters. Parents, brothers, sisters, grandparents, grandchildren, nephews, nieces, uncles, aunts, married daughters, married sons, and all other persons must make separate customs entry and declaration.

(d) Children under the age of 12 traveling with friends or relatives may be claimed as immediate family members of the relatives or friends. The full name of the children must be written on the customs entry and declaration.

(e) Unaccompanied children under the age of 12 are required to make a customs entry and declaration. A customs agent will render necessary assistance to minor children in making customs entry and declaration.

(f) Individuals unable to read or write are required to seek the assistance of a customs agent in making customs entry and declaration. Individuals unable to write may sign the prescribed customs entry and declaration form with an "X" mark and witnessed by the customs agent.

(g) Passengers boarding international flights or voyages from Tinian or Rota destined for Saipan or vice versa, do not require a customs entry or declaration. Such passengers would be required to obtain customs departure clearance at the point of embarkation.

(h) No passenger or crew member required by this section to make customs entry and declaration may be cleared by a customs agent without completing the required form.

(i) All passengers and crew members on international travel boarding domestic carriers for continuation of their travel to other points in the Northern Mariana Islands must make customs entry and declaration at the first port of entry in the Northern Mariana Islands.

(j) To facilitate inspection, the prescribed form for making customs entry and declaration may be printed in foreign languages in addition to English. However, all prescribed customs entry and declaration forms in foreign languages must be completed by the passengers and crew members in Roman characters only.

(k) Transit passengers and crew members are prohibited access to areas at the port other than those designated for transit passengers and crew members. Transit passengers and crew members are strictly prohibited from leaving the airport or wharf compound for any length of time prior to their departure from the Northern Mariana Islands without going through customs formalities.

Section 3.818.3. Customs Entry and Declaration to be Supplied by Carriers.

(a) The Customs Entry and Declaration, Form CS-1350, shall be designed by the Division of Revenue and Taxation and furnished to all carriers. The carriers shall print the form, following the format and specifications established by the Division of Revenue and Taxation, and furnish them to their passengers for use upon arrival in the Commonwealth.

(b) It shall be the responsibility of the carriers to publish and maintain an adequate supply of the Customs Entry and Declaration, Form CS-1350, without any cost to the passengers or the Commonwealth Government of the Northern Mariana Islands.

(c) The logo and other notations of the carrier may be printed on the form provided that such logo and notations comply with the specification of the Division of Revenue and Taxation.

Section 3.818.4. Arrival of Cargo by Freight.

(a) Cargo shall be retained at the place of unloading until permission is given by a customs agent for its release. Any cargo not released shall remain in the physical possession of the terminal operator or the operator of the carrier at the expense of the consignee but under technical customs custody until entry is made and the tax paid, if required. The appropriate action taken shall be indicated either on the container of the merchandise or on the bill of lading, or NVOCC's freight bill or bill of lading.

<u>      </u> HOLD	<u>      </u> PASS
ORDER OF CUSTOMS	
<u>      </u> Agent	<u>      </u> Badge
	<u>      </u> Date

(b) If the cargo is to be released to the consignee, the inspector shall circle the word "Pass" and put his initials, badge number, and the date. If the cargo is to be retained, the word "Hold" shall be circled and the initials and badge number of the agent and the date will be indicated.

(c) A partial release of cargo may be authorized by a customs officer making the following notation on the bill of lading or NVOCC's freight bill and by initialing each line item to be released. Items not initialed shall not be released.

"The merchandise identified by my initials on each line of this bill of lading may be released to the consignee."

---

Date

---

Customs Agent

(d) Payments, inspections, and releases of shipments may be made without any charge to the consignee, agent, postal services, or operator of the carrier from 0730 hour to 1630 hour, Monday to Friday except holidays, or any other time frame set by the Division of Revenue and Taxation.

(e) For assessment and payment of taxes and inspection and release of merchandise on Saturday, Sunday, or holidays, individuals requiring such service must be assessed a Customs Service Charge pursuant to the provisions of Section 3.818.27(e) of these regulations.

Section 3.818.5. Release of Perishable Merchandise.

(a) The customs agent is authorized to permit the release and delivery, prior to formal entry thereof, of perishable articles, and other merchandise, the immediate delivery of which is considered necessary, such as where adequate holding or storage facilities are not available. Such merchandise shall remain under technical customs custody and no disposition of such merchandise by the consignee is authorized until a formal entry is made; and the tax paid, if required, or a promissory is executed. Promissory notes shall not be made longer than a period of ten (10) calendar days from the date the tax is assessed and shall be subject to the administrative provisions (Chapter VIII) of Public Law 3-11 if not paid at maturity.

(b) The requirement of a promissory note in this section may be waived if the importer chooses to make a permanent deposit to guarantee payment of taxes due from dutiable items. The minimum amount of the permanent deposit is specified in Section 4.818.11 of these regulations.

Section 3.818.6. Non-payment of Excise Taxes When Due.  
In addition to the penalty and interest provisions of Public Law 3-11, consignees owing the Commonwealth excise taxes which are not paid within thirty (30) calendar days after the entry of the goods, commodities, or merchandise, shall be denied clearance and release on future imports of goods, commodities, or merchandise. The Customs Service shall require the consignee to pay the excise tax on imported goods, commodities, or merchandise prior to the release of such goods, commodities, or merchandise.

Section 3.818.7. Samples.

(a) Passengers having sample merchandise for the purpose of promoting future sales or determining the marketability of such merchandise are required to pay excise taxes pursuant to Section 402 of Public Law 3-11. The vendor's invoice must be furnished to the Service upon the importation of the sample. If the vendor's invoice is not available, the passenger is required to itemize and describe in detail all samples, along with the value and quantity of each item brought with him/her. In addition, the locations and addresses where the merchandise is to be displayed or advertised must be furnished to the Service.

(b) Importers of samples who do not have a permanent place of business in the Commonwealth, or who do not have a valid business license to conduct a normal and uninterrupted business operation in the Commonwealth, are required to file and pay business gross revenue tax prior to departing the Commonwealth. Periodic visitations to the Commonwealth for promoting future sales do not constitute a normal and uninterrupted business operation.

(c) Passengers importing samples who are not residents of the Commonwealth must either post a business gross revenue tax security deposit of one hundred dollars (\$100) per one thousand dollars (\$1,000) or fraction thereof of samples brought in, or surrender their passport and other travel documents to the Customs Service. The security deposit will be credited to the business gross revenue tax or used to offset other taxes, fees, or charges due from the passenger. Any excess amount shall be returned. The passport and other travel documents shall be released to the passengers after all liabilities have been settled.

Section 3.818.8. Postal Inspection.

(a) Mail and parcels arriving at the post office may be inspected by the Customs Service in order to detect dutiable goods, merchandise, or other commodities and assess the excise taxes; and to detect and intercept contraband; and to enforce other laws and regulations enforced at the ports of entry.

(b) Addressees of domestic mail, other than fourth class mail, shall open their mail and parcels for inspection at the request of a customs agent. Mail and parcels not opened for inspections at the request of a customs agent shall be returned to the sender.

(c) Mail and parcels requiring customs inspections shall not be released to the addressee until such inspections are performed.

(d) International mail may be opened and inspected by Customs without the consent and presence of the addressee.

(e) For purposes of this section, international mail means all mail coming into the Commonwealth which originate from areas outside the United States mainland, Alaska, Puerto Rico, Guam, the Virgin Islands and American Samoa.

Section 3.818.9. Release of Merchandise Without Customs Clearance. No carrier, agent, or terminal operator shall release or turn over to a consignee any merchandise or parcel being imported into the Northern Mariana Islands without the prior approval of customs. In the event a release was made by the carrier, agent, or terminal operator without prior clearance of customs and the tax on the merchandise released cannot be paid by the consignee, the tax liability plus the penalty and interest imposed by Public Law 3-11, Sections 815 and 817 shall become the liability of the carrier, agent, or terminal operator and shall continue to accumulate such penalty and interest until the tax liability is paid in full. The Service shall notify the carrier, agent, or terminal operator of the consignee's inability to pay and the determination of the Service to transfer such liability from the consignee to the carrier, agent, or terminal operator.

Section 3.818.10. Inspection of Baggage. The customs agent may inspect without warrant the baggage and hand carried parcels of any person arriving in the Northern Marianas in order to ascertain what articles

are contained therein and whether taxable, prohibited, or restricted.

Section 3.818.11. Inspection of Cargo. The customs agent may inspect without warrant any cargo, package, receptacle, and aircraft and vessel arriving in the Commonwealth of the Northern Mariana Islands, to seize prohibited or restricted articles or merchandise including narcotics and other items of contraband.

Section. 3.818.12. Inspection of Passenger. The customs agent may inspect without warrant any person arriving in the Northern Marianas to determine whether such person is violating the Controlled Substances Act, the Weapons Control Act, and/or other laws and regulations enforced at the ports of entry. A strip search may be performed if there is real suspicion that the passenger is concealing evidence of a crime or contraband upon his person. A customs agent may perform a body cavity search (intrude into the body cavity) if there is a clear indication that there is contraband concealed within the body of the individual.

Section 3.818.13. Persons Requiring Inspection. All individuals as well as their baggage and hand carried articles on international travel regardless of their point of embarkation, shall be inspected by the Service prior to leaving or being taken away from the port of entry.

Section 3.818.14. Departing or Prospective Passengers and Crew Members.

(a) Any person who voluntarily enters a security area at the airport or wharf is subject to customs inspections as provided for in Sections 3.818.10, 3.818.11, 3.818.12, and 3.818.13 regardless of the purpose of the entry into the security area.

(b) Prospective passengers who enter a security area at the airport or wharf and later decide not to leave are required to go through customs inspection and clearance in the same manner as an arriving passenger on international travel.

Section 3.818.15. Passengers and Crew Members with Baggage. All passengers and crew members who have baggage and/or hand carried parcels must go through customs inspections with all their baggage and hand carried parcels. Passengers clearing customs and leaving the inspection area without their belongings shall be authorized to make a declaration and obtain customs inspection and clearance only after the processing of international passengers.

Section 3.818.16. Oaths. The customs supervisor and all other authorized customs agents are empowered to

administer any oaths required or authorized by these regulations in respect of any matter coming before such officers in the performance of their official duties. No compensation or fee shall be demanded or accepted for administering any oaths under the provisions of this section.

Section 3.818.17. Individuals Waived Inspection. Individuals on domestic travel, as defined, may be waived inspection. However, the Service may, at any time, require inspection of any and all individuals on any domestic travel when such inspection is deemed necessary. Diplomats of any foreign country on official travel with a proper U.S. visa to enter the Northern Marianas may be waived inspection.

Section 3.818.18. Domestic Travellers - Required Inspection. All individuals on domestic travel, as defined, who enter or pass through a customs jurisdiction at the ports during the process of clearing international travellers, are required to go through all customs formalities except the requirements of filing a customs entry and declaration.

Section 3.818.19. Penalty. The master of a carrier, other crew members, operator of the carrier or its agent, and all individuals who willfully aid any other individual to conceal any item brought on board with the intention to violate any of the provisions of Public Law 3-11, and the laws of the Commonwealth or the United States of America, may be punished by a fine and/or imprisonment equal to the maximum penalty provided by the law which was intended to be violated.

Section 3.818.20. Unclaimed Baggage. Passenger or crew member's baggage not claimed at the customs inspection area shall be retained by the carrier and secured in a safe place within the inspection area at the port. Unclaimed baggage which is required to be stored in another location due to inadequate storage facilities within the inspection area at the port may be transferred by an authorized representative of the carrier liable for the security of the unclaimed baggage; PROVIDED, HOWEVER, the representative of the carrier obtains the approval of the Customs Service and the shipper accepts the condition that spoilage and/or damage to the cargo is the liability of the shipper. Cargo released to the carrier or terminal operator for storage and/or security shall not be opened by the carrier or terminal operator. The Customs Service shall have the right to take into custody any part of or all unclaimed baggage which, such officer has probable cause to believe contains dutiable, prohibited, or restricted merchandise. The Customs Service may open and inspect such baggage without the presence of the passenger or crew member but in the presence of a representative of the carrier.

Section 3.818.21. High Risk Area.

(a) The Chief shall have the authority to classify any place or port in any country or territory as a "high risk" area in order to ensure an effective enforcement of Public Law 3-11, the Controlled Substances Act, the Weapons Control Act, and other laws and regulations enforced at the ports of entry.

(b) Passengers and crew members, including their baggage and hand carried parcels, and all cargo from areas classified "high risk" shall be required thorough inspections and examinations whenever appropriate.

(c) All cargo from high risk areas shall be inspected and cleared only in the presence of the consignee or his authorized agent.

(d) Perishable commodities from high risk areas may be imported into the Commonwealth if the consignee of such commodities agrees to make entry and claim the cargo immediately upon arrival in the Commonwealth. Perishable commodities from high risk areas which are not claimed immediately upon arrival in the Commonwealth shall not be inspected and/or released until they are claimed. The carrier, its authorized agent, terminal operator, and the Service shall not be liable for spoilage or damage to perishable merchandise resulting from the consignee's failure to make entry and claim the cargo immediately upon arrival.

Section 3.818.22. Confiscating of Merchandise. Prohibited or restricted merchandise imported into the Northern Marianas and found during inspection shall be confiscated by the Service and turned over to an appropriate Northern Marianas Government agency within a reasonable time for proper disposition. Merchandise on which the tax is not collected shall also be confiscated. Merchandise confiscated by the Service due to nonpayment of tax must be claimed and the tax paid by the owner or consignee within ten (10) days from the date the merchandise was confiscated.

Section 3.818.23. Unclaimed Merchandise. Merchandise confiscated by the Service due to nonpayment of the tax due may be sold at auction if no claim was made pursuant to Section 3.818.22, provided, however, that

(a) The Service notified the owner or consignee in writing that the provision of Section 3.818.22 for making a claim has expired and the owner or consignee will be given an additional ten (10) days to claim the merchandise and pay the tax due plus related penalty and interest;

(b) If the merchandise is not claimed and the tax liability is not paid at the end of the period allowed in Subsection (a) of this section, the Service shall send a final

written notice to the owner or consignee of the merchandise advising that the merchandise will be sold at auction if not claimed in ten (10) days commencing from the date of the final written notice;

(c) after the expiration of the final notice and the merchandise is still not claimed and the tax liability is still not paid, the owner or consignee shall not be allowed to claim the merchandise once the merchandise has been processed and advertised for auction.

Section 3.818.24. Auction. The Service shall advertise to the public in any local newspaper for three (3) consecutive weeks, that merchandise on which excise taxes remain unpaid will be sold at auction. Proceeds from the sale shall be used as follows:

(a) To pay the tax liability.

(b) To pay applicable penalty and interest charges imposed by Public Law 3-11 and these regulations.

(c) To reimburse the Service for advertising, storage, and other related expenses.

(d) To apply part or all of any other outstanding tax liabilities, fees, penalties, or interests.

(e) To pay the owner or consignee any amount left which is over Five Dollars (\$5.00). Amounts of Five Dollars (\$5.00) or less may be paid to the owner or consignee provided the owner or consignee requests payment and arranges to obtain the fund at the Division of Revenue and Taxation.

Section 3.818.25. Payments. All taxes, fees, and charges, except where other provisions of these regulations govern, shall immediately become due and must be paid in cash, or by U.S. Postal Money Order, or check drawn at a bank in the Northern Mariana Islands, or a bank in any of the states in the United States of America. Any checks returned by the bank due to insufficient funds must be replaced by either cash, U.S. Postal Money Order, or certified check. Any tax paid by a check and returned by the bank due to insufficient funds is construed to have not been paid when due and the owner or consignee shall be assessed and collected penalty and interest, in addition to all charges arising as a result of the check being returned, i.e., bank service charge for returned checks. The Division of Revenue and Taxation shall have the right to reject any or all personal checks and demand payment in the form of cash, U.S. Postal Money Order, or certified check.

Section 3.818.26. Spectators. Individuals not directly associated with the enforcement of the laws of the Northern Mariana Islands or applicable laws of the Federal Government and administered at the ports of entry in the Northern Marianas, the maintenance and service of a carrier, or arriving passengers or arriving crew members shall not be permitted entry into any area between the carrier and the customs inspection area including all ramps, aprons, gangplanks, escalators, elevators, stairways, walkways, and all passageways and lavatories accessible and used by arriving passengers and crew members; and all areas accessible and used by the operator of a carrier for transporting cargo from the carrier to the operator's warehouse or storage facility. Unauthorized individuals found in any of these areas shall be deemed to be in violation of these regulations and shall be punished accordingly.

Section 3.818.27. Request, Cancellation, Delay and Charges.

(a) Request Requirement - All air and sea carriers and other persons whose operations require the service of customs agents of the Commonwealth of the Northern Mariana Islands are required to make a request for such service. The request must be made on a form prescribed by the Customs Service.

(i) Blanket Request - All carriers and other persons operating on a planned schedule must make a request to the Customs Service at least thirty (30) days before the effective date of their schedule of operation. A single request will be sufficient for the duration of one set of schedules. Any unforeseen changes in a set of schedules would require a special request to the Service at least twenty-four (24) hours before the occurrence of such changes. If such change is to occur during weekends and holidays, the request must be made twenty-four (24) hours in advance of the last normal working day. All carriers and other individuals making a permanent change in their schedule are required to submit a new blanket request at least thirty (30) days before the effective date of the new schedule.

(ii) Special Request - All carriers and other persons operating on unscheduled flights or operating a charter, technical stop or extra flight or voyage are required to make a special request at least twenty-four (24) hours in advance of the last normal working day before arrival. All sea carriers are required to submit a special request for customs clearance.

(b) Failure to Make a Request - When a carrier, its master, operator, owner, or authorized agent fails to make a request as required by Subsection (a), paragraph(ii)

of this section, upon arrival of such carrier, one or all of the following shall apply:

(i) During normal working hours, the Service will arrange for clearance based on the availability of personnel and the number of blanket and special requests for the day. If customs service cannot be rendered during normal working hours, clearance will be furnished after regular working hours provided the carrier agrees and pays customs overtime charges as provided for in Subsection (e) of this section prior to rendering such service.

(ii) All vessels, including pleasure boats, on international travel arriving after regular working hours are prohibited to anchor at the pier until cleared by the Service. They must remain out in the harbor until the next regular working day except for emergencies as determined by the Customs Service. While anchored out in the harbor, crew members and passengers including their baggage are prohibited to disembark. Cargo on board shall not be unloaded.

(iii) Air carriers arriving after normal working hours may be denied customs clearance unless adequate customs personnel are readily available and the carriers pay the necessary customs overtime charge. Passengers and crew members including their baggage and hand carried articles and all cargo on board are prohibited to disembark or to be unloaded until cleared by the Service.

(c) Cancellation and Delay of Arrivals -  
The operator of a carrier or its agent shall notify the Service of all cancellations and/or delays of arrivals at least four (4) hours of the normal working day before the initial schedule of the arrival being cancelled or delayed. In the absence or delay of such notification, the charge to be imposed shall be in accordance with Subsection (e) of this section.

(d) Storage Charge -

(i) Unclaimed baggage not properly stored by the carrier liable for the security of the same may be taken into custody, and shall be released to the carrier only upon payment to the Service by the carrier of a storage charge of Five Dollars (\$5.00) per day or a fraction of a day for each piece stored. Unclaimed baggage in the custody of the Service may be claimed by the carrier during regular working hours only, from 0730 hour to 1130 hour and from 1230 hour to 1630 hour, Monday through Friday. Passengers or crew members shall not be authorized to claim any unclaimed baggage in the custody of the Service. The Service shall not be liable for damages to the container or damages to and/or loss of the contents.

(ii) Unclaimed baggage in the custody of the carrier may be released to the passenger or crew member only after inspection and clearance by the customs agent.

(iii) Unclaimed baggage in the custody of the carrier or the Service not claimed within ten (10) days shall be opened and inspected by a customs agent and shall be released to the carrier for storage at another location the carrier wishes to utilize, provided, the storage charge in paragraph (i) of this subsection is paid.

(e) Compensation for Services Rendered -

(i) All air and sea carriers and other persons whose operations require the service of a customs agent of the Commonwealth Government of the Northern Mariana Islands after normal working hours shall be charged with the overtime pay of the customs agent rendering the service. Service of less than two (2) hours for each arrival shall be charged with the minimum of two (2) hours overtime. Any fraction of an hour in excess of the two (2) hours minimum is charged a full hour. The charge shall commence thirty (30) minutes prior to the scheduled arrival time of a carrier or from the time the customs agent leaves his home and shall terminate thirty (30) minutes after the officer leaves the post of duty. For individuals requiring the service of a customs agent, the charge shall accumulate from the time the customs agents leave their home or office until they return thereto. On legal holidays falling on Mondays through Fridays, the charge shall be the holiday pay of the customs agents rendering the service during the first eight (8) hours of work performed. Any time in excess of eight (8) hours shall be charged at overtime pay. Each legal holiday shall be one 24-hour day, 0001 hour to 2400 hour. Said overtime charges and holiday charges shall be waived when services are rendered to a carrier operating under emergency conditions or for emergency purposes.

(ii) When a customs agent is assigned to any vessel or aircraft for the purpose of conducting an inspection and clearance during the journey, the master of the carrier, owner, or agent must furnish such officer the accommodations usually supplied to passengers. In addition, the master, owner, or agent shall furnish all air or sea transportation required in order for the customs agent to board such aircraft or vessel. The customs service charge to be imposed shall be in accordance with paragraph (i) of this subsection.

(iii) Nonperformance of Requested Service - If services have been requested for which employees have reported but are not performed by reason of circumstances beyond the control of the employees concerned, compensation shall be in accordance with paragraph (i) of this subsection.

(iv) Broken Periods - When overtime services are rendered to two (2) or more carriers registered to a single owner or operator, arriving two (2) or more hours apart, each arrival shall be treated separately and the minimum charge of two (2) hours overtime shall apply. On holidays falling on Mondays through Fridays, the charge shall be in accordance with paragraph (i) of this subsection.

(v) Continuous Periods - When overtime services are rendered to two (2) or more carriers registered to a single owner or operator arriving less than two (2) hours apart, the charge shall be treated as though the services had been continuous. The charge shall be computed on a continuous basis and a minimum of two (2) hours overtime if the total overtime service rendered is less than two (2) hours. For holiday charges, refer to paragraph (i) of this subsection. Two (2) or more arrivals within a two (2) hour period for carriers with different owners or operators shall be treated as continuous and the services rendered to each carrier shall be prorated between two (2) or among more carriers by the number of maximum passenger seats the aircraft can accommodate or by the gross weight of a vessel or barge.

(vi) Personnel Benefits - All charges imposed for personnel services shall be subject to personnel benefits and shall also be charged in addition to all provisions of this section.

(vii) Interest Charge - An interest charge of fifteen percent (15%) per annum shall be imposed on all unpaid charges required by this Part.

Section 3.818.28. Customs Exemption for Domestic Travelers, Section 404, Chapter 13, 33 TTC (CNMI).

(a) Duty-Free Purchases - Passengers and crew members on domestic travel as defined, and passengers and crew members boarding a carrier on international travel in Saipan, Rota, Tinian and other islands in the Commonwealth, or vice-versa and destined for any port in the Northern Mariana Islands without traveling by way of any port outside of the Northern Marianas may bring with them not more than two fifths of a wine gallon of distilled alcoholic beverages and not more than three cartons of cigarettes into the port of destination in the Northern Marianas, if such beverages and cigarettes were purchased from a duty-free retail concession at the port of embarkation in the Northern Marianas.

(b) Excise Taxes - Passengers and crew members bringing alcoholic beverages and cigarettes in excess of the amount authorized in this section shall be assessed an excise tax in accordance with Section 401 of Public Law 3-11.

## PART IV

ADMINISTRATION, PERSONNEL, AND PROCEDURESection 4.810.1. Right of Appeal and Preparing Protests for Unagreed Cases.

(a) If the taxpayer agrees with the examining officer's findings, he may pay any additional amount due and owing without waiting for a bill. The check or money order must be made payable to the Treasurer, Northern Marianas, including interest on the additional tax at fifteen percent (15%) per annum, or such adjusted rate as is established under the Internal Revenue Code, from the due date of the return to the date of payment. Cash must not be sent in the mail.

(b) The Division of Revenue and Taxation maintains a system of appeals through which disagreements on tax matters can be settled without expensive and time-consuming court trials.

(c) If a taxpayer does not agree with the examining officer's findings, he is urged to first appeal his case to higher levels within the Department of Finance.

(d) If a taxpayer does not want to appeal his case to a higher level within the Department of Finance, Division of Revenue and Taxation, he may either:

(1) Request the Division of Revenue and Taxation to issue a Statutory Notice of Deficiency, then upon receipt of it, take his case to the Commonwealth Trial Court or the District Court, whichever has jurisdiction in his case, or

(2) Pay the tax, file and claim for refund and, if the claim is disallowed, file suit for refund in the Commonwealth Trial Court or the District Court, whichever has jurisdiction.

Section 4.810.2. General Rules on How to Appeal a Case Within the Department of Finance, Division of Revenue and Taxation.

(a) There are three levels of appeal within the Department of Finance, Division of Revenue and Taxation. The Division Conference Staff; Chief, Division of Revenue and Taxation; and the Director of Finance consider cases involving income, excise, business gross revenues, and other taxes administered by the Department of Finance, Division of Revenue and Taxation.

(b) The first level of appeal from the findings of the examining officer is the Division Conference Staff. A conferee from the staff will meet with the taxpayer and discuss the disputed issues fully. Most differences are resolved at this level.

(c) The Chief, Division of Revenue and Taxation, will arrange a division conference at the revenue office at a mutually convenient time. A request for a division conference should be made within the period specified in the letter enclosing the instructions (within sixty (60) days if the letter is addressed to a taxpayer outside the Commonwealth of the Northern Mariana Islands). To avoid the time and expense of an additional conference, the taxpayer or his representative should be prepared to discuss all disputed issues at the conference.

(d) If an agreement is not reached at a division conference, the taxpayer may appeal his case to the second level - the Chief, Division of Revenue and Taxation and then to the third level of appeal - the Director of Finance.

(e) If an agreement is not reached at the division conference or higher levels, the taxpayer may, at any stage of these procedures, appeal to the courts. (See Appeal Procedure to the Court, Section 4.810.5).

#### Section 4.810.3. Written Protest.

(a) A written protest is not required for a division conference, if

(1) The proposed additional tax, proposed over-assessment, or claimed refund or credit does not exceed \$2,500 for either of the years, periods or returns involved.

(2) The examination was conducted by correspondence or during an interview in the Division of Revenue and Taxation Office, regardless of the amount involved.

(b) A written protest is required for a division conference if the amount involved exceeds \$2,500 and the examination was conducted by a field agent in the taxpayer's home or office. A protest should contain:

(1) A statement that the taxpayer wants to appeal the findings of the examining officer to the Division Conference Staff.

(2) The name and address (the residence address of individuals; the address of his principal office or place of business).

(3) The date and symbols on the letter transmitting the proposed adjustments and findings the taxpayer is protesting.

(4) The taxable years, periods, or returns involved.

(5) An itemized schedule of adjustment or findings with which the taxpayer does not agree.

(6) A statement of facts supporting the taxpayer's position in contested factual issues. This statement and all major evidence submitted with the protest are to be declared true and under penalties of perjury. This may be done by adding to the protest the following declaration signed by the taxpayer as an individual or by an authorized officer of a corporation.

"Under the penalties of perjury, I declare that I have examined the statement of facts presented in this protest and in any accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete."

(7) Instead of the declaration required in the preceding step 6, if the representative of the taxpayer prepared or filed the protest, he may substitute a declaration stating:

(i) Whether he prepared the protest and accompanying documents, and

(ii) Whether he knows personally that the statements of fact contained in the protest and accompanying documents are true and correct.

(8) A statement outlining the law or other authority upon which the taxpayer relies.

(9) File an original and one (1) copy of all protests with the Chief, Division of Revenue and Taxation.

Section 4.810.4. Representation. The taxpayer may represent himself at the division conference or a hearing with the Division Chief or Director of Finance, or he may be represented by an attorney. The taxpayer may also bring any witness who knows the facts and can furnish evidence to support the taxpayer's position. If a taxpayer's representative attends a conference without the taxpayer, he must file a power of attorney or a tax information authorization before he may receive or inspect confidential information.

Form 2848, Power of Attorney, or Form 2848D, Authorization and Declaration (or any other properly written power of attorney or authorization) may be used for this purpose.

Section 4.810.5. Appeal to the Courts.

(a) If an agreement on a tax dispute is not reached or if a decision of the Director of Finance is adverse to the taxpayer, in whole or in part, the taxpayer should file a petition within one year from the date of the adverse decision in the Commonwealth Court for tax liabilities of \$5,000 or less, or the District Court for tax liabilities over \$5,000, whichever is appropriate, pursuant to Section 810 of Public Law 3-11. These courts are independent judicial bodies and have no connection with the Division of Revenue and Taxation or the Department of Finance.

(b) The court will schedule the case for trial. The taxpayer may represent himself before the court or he may be represented by anyone admitted to practice before the court.

(c) (RESERVED).

Section 4.818.1. Uniforms and Identification.

(a) Badge - In addition to wearing a uniform, all customs field personnel must wear their metal badge during working hours. Badges shall be issued by the Division of Revenue and Taxation, Central Office, upon assignment of personnel.

(b) Uniform - The official customs uniform shall be white shirt with either navy blue or black pants, skirt, or culotte. Other attire may be worn if directed by the Director of Finance.

(c) Plastic Identification Card - All employees of the Division of Revenue and Taxation must wear their plastic identification card during working hours. Personnel in uniform with a metal badge are required to carry their plastic identification card in their pocket. Revenue agents and revenue officers out in the field must also carry their plastic identification card in their pocket.

(d) Interim Identification Card - Upon initial assignment of new personnel or when an identification card is lost, an interim identification card shall be issued to

the employees. All bearers of the interim identification card are authorized access to all areas of operations in the central office, district offices, airports and other ports of entry except areas which are specifically restricted to certain employees.

(e) Requirements - Employees of the Division of Revenue and Taxation are responsible for the safeguarding and proper use of uniforms, badges, and plastic identification cards, and for surrendering them upon termination or demand by proper authorities. Any misuse, counterfeiting, alternation, or reproduction is a violation of law and these regulations. All employees must ensure that uniforms and badges are used only in the performance of their duties. In addition to its use for establishing an employee's identity or authority in connection with official duties, the plastic identification card may also be used for personal identification purposes, such as when cashing checks or as proof of employment, such as when applying for credit.

(f) In Case of Loss - All employees must promptly report in writing, the circumstances surrounding the loss of either a customs badge or plastic identification card. Any employee losing his/her badge or plastic identification card will be responsible for compensating the Division of Revenue and Taxation for its replacement cost if the loss was a result of the employee's negligence.

Section 4.818.2. Restricted Areas. The following areas are restricted and only employees of the Division of Revenue and Taxation with a badge or plastic identification card and authorized individuals are permitted entry:

<u>Location</u>	<u>Restricted Areas</u>
(a) Central Office, Saipan	Entire office except lobby and taxpayer assistance area.
(b) Rota District Office Songsong, Rota	Entire office except reception area.
(c) Tinian District Office San Jose, Tinian	Entire office except reception area.
(d) Customs Offices: Saipan International Airport Rota International Airport West Tinian Airport Tanapag Harbor (Charlie Dock) Rota Harbor (West Dock) Tinian Harbor	Entire office except reception area.

- (e) Airports: All compounds listed in  
 Saipan International Airport Section 3.818.26  
 Rota International Airport  
 West Tinian Airport
- (f) Waterfront: All compounds listed in  
 Tanapag Harbor Section 3.818.26  
 (Charlie Dock)  
 Rota Harbors  
 (East & West)  
 Tinian Harbor

Section 4.818.3. Restrictions. All individuals are prohibited to make, duplicate, or alter any patches, badges, identification cards, passes, symbols or emblems employed by the Division of Revenue and Taxation in the enforcement of all laws and regulations under its administration. Only authorized employees and other authorized individuals may use, possess, or process any patch, badge, identification card, pass, symbol, or emblem employed by the Division of Revenue and Taxation.

Section 4.818.4. Rank.

(a) All personnel assigned to perform customs duties shall be accorded military ranking in their performance as customs officials. Ranking employees assigned to customs shall be in accordance with their supervisory ability, education, training, professionalism in the enforcement of customs duties and responsibilities, satisfactory work performance, and dependability. Length of employment shall not be used as a determining factor in the ranking of personnel. Nothing in this section shall be construed as to relate to the employee's official title during his/her employment with the Division of Revenue and Taxation. "Official Title" in this section shall mean the title shown in the employee's current personnel action. In performing customs activities, personnel assigned shall have the working title of a duly commissioned customs agent. "Working Title" means the title and rank given to customs officials.

(b) No employee of the Division of Revenue and Taxation is excluded or barred from performing customs service. The determining factors for the assignment of customs personnel are the qualification of the employee in performing customs activities and the availability of personnel to carry out adequately the requirements of such function. Nevertheless, all personnel assigned to perform customs service must possess at least eighty (80) hours of practical training and eighty (80) hours of classroom

instructions in customs or other law enforcements. However, the minimum qualification standard in this subsection may be raised by a procedure established by the Division of Revenue and Taxation. In appointing supervisors, the appointee must meet at least the minimum requirements for supervisors established by the Division of Revenue and Taxation.

(c) Regardless of the employee's official title, all personnel of the Division of Revenue and Taxation assigned to perform the duties of a customs agent shall be addressed according to their rank in the performance of their duties as customs officials.

(d) (RESERVED).

Section 4.818.5. Bribery of Customs Officials and Other Revenue and Taxation Employees. If, upon investigation, it is determined that money or anything of value was given, offered, or promised to a customs agent or any other employee of the Division of Revenue and Taxation with the intent to control or influence such officer or employee in the performance of his official duties, the matter shall be referred to the Attorney General of the Commonwealth of the Northern Mariana Islands for prosecution under Section 301, Chapter 13, 11 TTC (CNMI).

Section 4.818.6. Informer's Name Confidential. The informer's name and address shall be kept confidential. No files nor information concerning the informer shall be permitted to get into the possession of unauthorized individuals. No information shall be revealed which might aid the offenders in identifying the informer.

Section 4.818.7. Membership and Affiliation. Employees of the Division of Revenue and Taxation may become members or affiliate with government boards, committees, and other respectable social organizations. However, such membership or affiliation shall be limited to only one government board, or one government committee; and the employees shall not participate in board, committee, or social organization activities during regular working hours, such as daytime meetings. The participation of employees in boards, committees, and other respectable social organizations shall not interfere with the employee's activities in the Division of Revenue and Taxation.

Section 4.818.8. (RESERVED).

Section 4.818.9. Pass.

(a) A temporary pass may be issued to a nonpassenger to enter the passenger/baggage inspection area at the ports for purposes of meeting official guest(s) of the Government of the Northern Mariana Islands, a disabled passenger, unaccompanied children under the age of six (6) years and other government dignitaries. A temporary pass must be requested and approved by the Director or his delegate at least twelve (12) hours before the arrival of a special passenger. All temporary passes issued must be returned to the Service upon leaving the passenger/baggage inspection area unless a special arrangement was made with the Service to the issuance of the pass.

(b) A special pass may be issued to employees of private companies if the presence of such employees in the arrival areas is necessary to the operation of the company. A detailed justification must be submitted to the Division of Revenue and Taxation for review and determination. Government employees may be issued special passes, only if such employees are required to be in the arrival areas in order to carry out their duties and responsibilities. Law enforcement personnel whose services are required at the ports of entry are not affected by this section. To qualify for a special pass, both the employee and the employer must file together an application to the Division of Revenue and Taxation and meet the following requirements:

(i) The employer must submit a copy of the determination made by the Service as specified in this section.

(ii) The employee must have a valid Mariana Islands Airport Authority Security Pass or Port Security Pass and must be authorized to enter the "Aircraft Operation Areas" at the airports or the "Port Security Compound" at the wharf.

(iii) A Ten Dollar (\$10.00) processing fee plus two (2) color pictures, 1-1/8" X 1-1/8", must accompany the application. Polaroid pictures are not acceptable. The processing fee is waived for government employees. However, lamination fee will be charged to the requesting department's operation account.

(iv) In addition to all requirements specified in the application form for a special pass, the employer must agree and accept the following conditions:

CONDITIONS AND ACCEPTANCE

Special Pass No. \_\_\_\_\_ issued on \_\_\_\_\_  
 to \_\_\_\_\_ (recipient on behalf of)  
 \_\_\_\_\_ (employer/applicant) is  
 the property of the Commonwealth Government of the  
 Northern Mariana Islands. The Division of Revenue and  
 Taxation may at any time revise, revoke, and/or cancel  
 the special pass which must be returned upon request.  
 The special pass is to be used only in designated areas  
 approved and indicated on the pass, by the person to  
 whom it was issued an only while on duty as an employee  
 of the employer shown above.

In case of loss or theft, a loss charge of Fifty Dollars  
 (\$50.00) must be paid to the Division of Revenue and  
 Taxation. The employer must report such loss or theft  
 immediately to the Division of Revenue and Taxation and  
 shall bear the expense of the loss. Failure to report  
 the loss or theft will result in the cancellation of all  
 special passes issued on behalf of the employer. A lost  
 or stolen pass may be replaced provided another applica-  
 tion together with Ten Dollars (\$10.00) application fee  
 plus the loss charge of Fifty Dollars (\$50.00) is filed  
 and paid to the Division of Revenue and Taxation.

(c) Unlawful use of any pass issued by the Division  
 of Revenue and Taxation shall be subject to the applicable  
 penalties of these regulations.

Section 4.818.10. Procedure - Permanent Deposit.

(a) A permanent deposit may be authorized to permit  
 the release and delivery of dutiable merchandise prior to  
 making formal entry and paying the actual tax due when  
 required. Importers of dutiable merchandise may exercise  
 this option with one of the following methods:

(i) Place a cash deposit with the Division of  
 Revenue and Taxation; or

(ii) Place a bank certificate of deposit with  
 the Division of Revenue and Taxation. A bank certificate of  
 deposit must have a maturity of one year or more. All certi-  
 ficates of deposit, deposited with the Division of Revenue  
 and Taxation as collateral, must be endorsed payable to the  
 Treasurer, Northern Marianas. In such cases, the Treasurer  
 will have the right to deposit the certificate of deposit at  
 maturity, or such date the tax liability is satisfied and  
 refund by government check such amount that is due the  
 taxpayer. Interest is payable to the original purchaser of  
 the certificate of deposit.

(b) All permanent deposits authorized in this section shall be equivalent to the average monthly excise tax amount paid by the importer during the last twelve months.

(c) Periodically, the Division of Revenue and Taxation shall review all permanent deposits and shall require a higher amount of deposit when necessary.

(d) A permanent deposit is not intended to be used for payment of taxes due. The permanent deposit is designed for the convenience of the importer to permit the immediate release of imported goods for use, sale, lease, or rental.

(e) A permanent deposit does not waive the requirements of customs inspection and clearance.

(f) No permanent deposit shall be returned to the depositor if the depositor has unpaid tax liabilities of any kind, unpaid penalty or interest, or any other related liabilities, such as storage charges, customs overtime, etcetera, due the Commonwealth Government of the Northern Mariana Islands.

(g) The Division of Revenue and Taxation is authorized to use any portion or all of a permanent deposit to offset any or all delinquent amounts as indicated in Subsection (f) of this section, due the Commonwealth Government.

(h) None of the provisions of this section waives the requirements of other provisions of these regulations and Public Law 3-11.

(i) Taxes due on released merchandise in accordance with this section must be paid on the next working day.

Section 4.818.11. False and Fraudulent Statement.  
Any person who states as true in writing any material which he knows to be false in a customs declaration or tax return for the Commonwealth of the Northern Mariana Islands, or any person who states as true any information which he knows to be false in making oral customs declaration for the Commonwealth of the Northern Mariana Islands shall be guilty of a crime punishable by a fine not to exceed \$2,000 or imprisonment of not more than five years, or both.

Section 4.818.12. (RESERVED).

Section 4.818.13. (RESERVED).

EFFECTIVE DATE. These regulations shall become effective upon their adoption in the Commonwealth Register.

Certified By:  2/4/83  
RUPY SEDMIK Date  
Acting Director of Finance

Concurred By:  2/4/83  
PEDRO P. TENORIO Date  
Governor



# Commonwealth of the Northern Mariana Islands

## Office of the Governor

Division of Environmental Quality

Dr. Torres Hospital

Saipan, Mariana Islands 96950

Filed this 10/10 Cable Address: Saipan  
Feb. 19 83

### PUBLIC NOTICE

Office of Registrar of Corporations  
Commonwealth of the Northern Mariana Islands

### PROPOSED MARINE AND FRESH WATER QUALITY STANDARDS REGULATIONS FOR PUBLIC LAW 3-23 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENTAL SERVICES

The Director of the Department of Public Health and Environmental Services of the Commonwealth of the Northern Mariana Islands is proposing to promulgate new regulations for the protection of the marine and fresh water environment in the Commonwealth. These regulations will be used in conjunction with Public Law 3-23, and the U.S. Clean Water Act (P.L. 95-217).

The purpose of these regulations is to establish standards for water quality for all State waters in order to protect their use and value for propagation of fish and wildlife, recreational purposes, public water supply use, and taking into consideration their use and value for navigation. Excluded from these regulations is groundwater.

The proposed regulations include the following subject areas:

1. The authority, purpose, and policy of the regulations.
2. Classification of water uses for marine waters and fresh waters.
3. Basic water quality criteria applicable to all waters.
4. Specific water quality criteria for surface waters.
5. Classification and establishment of water use areas.
6. Establishment of a mixing zone in receiving waters.
7. Enforcement procedures.

Copies of the proposed regulations may be obtained from the Department of Public Health and Environmental Services, Division Environmental Quality, Dr. Torres Hospital, Saipan, CM 96950.

Anyone interested in commenting on the proposed Marine and Fresh Water Quality Standards Regulations may do so by submitting comments in writing to the Director, Department of Public Health and Environmental Services, Dr. Torres Hospital, Saipan, CM 96950, within thirty (30) days from the date this notice is published in the Commonwealth Register.

2/10/83  
Date

DR. JOSE T. VILLAGOMEZ  
Director, Public Health and Environmental Services



Commonwealth of the Northern Mariana Islands

Office of the Governor
Division of Environmental Quality
Dr. Torres Hospital
Saipan, Mariana Islands 96950

Filed this 10th day of

Feb. 1983
Cable Address:
P.O. Box 311 Saipan

Office of Registrar of Corporations
Commonwealth of the Northern Mariana Islands

NOTISIAN PUBLIKO

PROPOSITON REGULASION HANOM TASI YAN HANOM FRESKU
KUALIDAT AREKLAMENTO SIHA PARA I LAI PUBLIKO 3-23
GIEN I DEPARTAMENTON HINEMLO' PUBLIKO YAN
ENVIRONMENTAL NA SETBISIO

I Direktot i Depattamenton Hinemlo' Publiko yan i Environmental
na setbisio gi Commonwealth gi sankattan siha na isla ha
propopone nuevo na areklamento para u ginibetna i probision yan
proteksion para i hanom tasi yan hanom fresku gi halom i
Commonwealth. Este na areklamento para uma'usa gi Lai Publiko
3-23, yan i U.S. Clean Water Act (P.L. 95-217).

I intension esta na areklamento para uma establesi unos kuantos
propio yan kualidat na hanom para tod u guaha na hanom gi halom
i estadu ni para u prinitehi i usu yan i bali-na i hanom ni para
u pineksai i guihan siha, gi tasi, ga'ga' halom tano' siha,
dibetsion siha, hanom para uson i publiko, yan para uma konsidera
i usu yan i bali-na ni para i nabigadot. Ti humahalom guini na
areklamento i hanom tupo' pat sino i hanom papa' tano'.

I proposito yan areklamento ha inklusu i mansigente siha na banda.

- 1. I atoridat intension, yan propositon i areklamento siha.
2. Klassifikasion uson hanom para i hanom tasi yan hanom fresku.
3. I fondamenton kualidat hanom aplikapble para tod u guaha na
hanom siha.
4. Espesifikasion kualidat hanom tasi siha.
5. Klassifikasion yan fondasion uson hanom siha na banda.
6. Fondasion i mixing zone ni murisisibi i hanom siha.
7. Enforcement procedure.

Kopia pot i propositon regulasion siha sina machule' ginen i
Depattamenton i Hinemlo' yan Environmental na setbisio, Division
of Environmental Quality, Dr. Torres Hospital, Saipan, CM 96950.

Haye i interesau pot i propositon hanom tasi yan hanom fresku
na regulasion u satmiti hafa mas para usangan gi matugi na manera
guato gi Direktot i Depattamenton Hinemlo' publiko yan Environ-
mental na setbisio, Dr. Torres Hospital, Saipan, CM 96950
halom 30 dias na tiempo desde i haane anai este na notisia ma
publika gi halom i Commonwealth Register.

2/10/83
Date

Signature
DR. JOSE T. VILLAGOMEZ, Direktot
Depattamenton Hinemlo' Publiko
yan Environmental na Setbisio

Feb. 1983.Office of Registrar of Corporations,  
Commonwealth of the Northern Mariana Islands

## COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

## MARINE AND FRESH WATER QUALITY STANDARDS

## PART 1 AUTHORITY

These regulations have been promulgated by the Department of Public Health and Environmental Services in accordance with Commonwealth of the Northern Mariana Islands Public Law 3-23, and under the provisions of the Federal Water Pollution Control Act of 1972 and its Amendments. These regulations shall have the force and effect of law and shall be binding on all persons and other legal entities subject to the jurisdiction of the Commonwealth of the Northern Mariana Islands. The Department shall apply these regulations and standards to all marine and fresh water bodies in the Commonwealth.

## PART 2 PURPOSE

The purpose of these regulations is to establish standards for water quality for all State waters in order to protect their use and value for propagation of fish and wildlife, recreational purposes, public water supply use, and taking into consideration their use and value for navigation. Excluded from these regulations is groundwater.

## PART 3 POLICY

It shall be the public policy of the Commonwealth of the Northern Mariana Islands that:

(a) The protection, maintenance, conservation, and improvement of the quality of the waters for the growth and propagation of aquatic life, for marine research and for the conservation of coral reefs and wilderness areas, and for domestic, agricultural, commercial, industrial, recreational and other uses are an historic and legal right of the people of the Northern Mariana Islands.

(b) The achievement of the water quality goals of the Commonwealth of the Northern Mariana Islands is in the best interests of the public and should not present an unreasonable barrier to economic, environmental, or social development.

(c) Waters whose existing quality is better than the standards set forth by these regulations, shall be maintained at that high quality.

(d) Waters whose existing quality is less than the standards set forth by these regulations, shall be improved to comply with these standards.

(e) No waters of the Commonwealth shall be lowered in overall quality unless it has been affirmatively demonstrated to the Department or its designated representative that such a change is a necessary result of economic, environmental, or social development, and is in the best interests of the people of the Commonwealth and will not interfere or impair any beneficial use assigned to the water(s) in question. Determination made under this policy shall provide for public participation and intergovernmental coordination.

(f) To the extent practicable all new point sources of pollution shall not discharge to near shore or fresh surface waters.

(g) There shall be no direct or indirect discharge of sewage or other waste matter into any planned or existing ground or surface source of drinking water.

(h) All sewage, wastewater, and any other matter shall receive a degree of treatment necessary to protect the beneficial uses of the state waters before discharging.

#### PART 4 BASIC DEFINITIONS

(a) "Ambient Conditions" means the existing conditions in surrounding waters not influenced by man.

(b) "Brackish Waters" means waters with dissolved inorganic ions (salinity) greater than 500 ppm (parts per million), but less than 30,000 ppm.

(c) "Chief" means the Chief of the Commonwealth Division of Environmental Quality.

(d) "Coastal Waters" means all waters of a depth less than ten (10) fathoms, or waters up to distance of 1,000 feet off-shore if there is no defined reef areas and if the depth is greater than ten (10) fathoms. The definition also includes those brackish waters and salt waters that are subject to the ebb and flow of the tide.

(e) "Commonwealth" means Commonwealth of the Northern Mariana Islands.

(f) "Department" means the Commonwealth Department of Public Health and Environmental Services.

(g) "Director" means the Director of the Commonwealth Department of Public Health and Environmental Services.

(h) "Discharger" means any person who emits any wastewater, substance, or material into the waters of the Commonwealth whether or not such substance causes pollution.

(i) "Fresh Waters" means all waters with dissolved inorganic ions of less than 500 ppm.

(j) "Mixing Zone" means the area or volume of a water body within which effluent(s) shall become physically mixed with the receiving waters through initial dilution. Initial dilution is the process through which the wastewater immediately mixes with the receiving water due to the momentum of the waste discharge and the difference in density between the discharge and the receiving water. The total area or volume of water designated as a mixing zone shall be limited to that area or volume which will not interfere with biological communities or populations of important species to a degree which is damaging to the ecosystem and which will not cause substantial damage to or impairment of designated water uses within the mixing zone or in surrounding waters. A mixing zone shall be considered designated only when approved by the Division of Environmental Quality and when concurrence of the U.S. EPA has been received.

(k) "Oceanic Waters" means all other marine waters outside of the ten (10) fathom depth contour and not less than 1,000 feet off-shore.

(l) "Receiving Water(s)" means water(s) of the Commonwealth into which wastes or wastewaters are, or may be, discharged.

(m) "State Waters" means all waters, fresh, brackish, or salt, around and within the Commonwealth and as further delineated and defined under the Marine Sovereignty Act of 1980 (P.L. 2-7).

(n) "Toxic" means lethal, teratogenic or mutagenic, or otherwise damaging to man or other living organisms.

(o) "Wastewater" means sewage, industrial waste, or other waste, or any combination of these, whether treated or untreated, plus any admixed land runoff.

(p) "Zone of Passage" means a continuous water route above, below, or around, a mixing zone without going through the mixing zone. As a minimum no less than one-third of the cross-section of the water body shall be retained in compliance with the water quality criteria in these regulations.

## PART 5 CLASSIFICATION OF WATER USES

### 5.1 Marine Waters

(a) CLASS AA - It is the objective of this class that these waters remain in their natural pristine state as nearly as possible with an absolute minimum of pollution or alteration of water quality from any human-caused source or actions. To the extent practicable, the wilderness character of such areas shall be protected.

The uses to be protected in this class of waters are the support and propagation of shellfish and other marine life, conservation of coral reefs and wilderness areas, compatible recreation, oceanographic research, and aesthetic enjoyment.

The classification of any water area as Class AA shall not preclude other uses of such waters compatible with these objectives and in conformance with the criteria applicable to them.

(b) CLASS A - It is the objective of the this class of waters that their use for recreational purposes and aesthetic enjoyment be protected.

Any other use shall be permitted as long as it is compatible with the protection and propagation of fish, shellfish, and wildlife, and with recreation in and on these waters. Such waters shall be kept clean of solid waste, oil and grease, and shall not act as receiving waters for any effluent which has not received the best degree of treatment or control practicable under existing technological and economic conditions and compatible with the standards established for this class.

## 5.2 Fresh Waters

(a) CLASS 1 - It is the objective of this class that these waters remain in their natural state as nearly as possible with an absolute minimum of pollution from any human-caused source. To the extent possible, the wilderness character of such areas shall be protected. Waste discharge into these waters is prohibited.

The uses to be protected in this class of waters are for domestic water supplies, food processing, the support and propagation of aquatic life, compatible recreation and aesthetic enjoyment.

(b) CLASS 2 - It is the objective of this class of waters that their use for recreational purposes, propagation of fish and other aquatic life, and agricultural and industrial water supply not be limited in any way.

The uses to be protected in this class of waters are all uses compatible with the protection and propagation of fish and other aquatic life, and with recreation in and on these waters. Such waters shall not act as receiving waters for any discharge which has not received the best degree of treatment or control practical under technological and economic conditions and compatible with the standards established for this class.

## PART 6 BASIC WATER QUALITY CRITERIA APPLICABLE TO ALL WATERS

All waters shall be free of substances attributable to domestic, industrial, or other controllable sources of pollutants and shall be capable of supporting desirable aquatic life and be suitable for recreation in and on the water.

This part will be subject to verification by monitoring as may be prescribed by the Director or Chief to assure freedom from any of the following conditions:

(a) Materials that will settle to form objectionable sludge or bottom deposits.

(b) Floating debris, oil, grease, scum, or other floating materials.

(c) Substances in amounts sufficient to produce taste or odor in the water or detectable off flavor in the flesh of fish, or in the amounts sufficient to produce objectionable odor, turbidity, or other conditions in the receiving waters.

(d) High temperatures; biocides; pathogenic organisms; toxic, radioactive, corrosive, or other deleterious substances at levels or in combinations sufficient to be toxic or harmful to human, animal, plant, or aquatic life, or in amounts sufficient to interfere with any beneficial use of the water.

(e) Substances or conditions or combinations thereof in concentrations which produce undesirable aquatic life.

## PART 7 SPECIFIC WATER QUALITY CRITERIA FOR SURFACE WATERS

### 7.1 Microbiological Requirements Applicable to:

(a) The median total coliform content shall not exceed 70 per 100 ml during any 30-day period nor shall any sample exceed 230 per 100 ml at any time. AA,1

(b) Fecal coliform content shall not exceed an arithmetic mean of 200 per 100 ml during any 30-day period nor shall any sample exceed 400 per 100 ml at any time. A,2

(c) To determine compliance with the above standards where a "30-day period" is specified, a minimum of ten (10) samples shall be collected at approximately equal intervals.

### 7.2 pH

(a) pH variation shall not be greater than 0.2 pH units from ambient conditions and not lower than 6.5 or higher than 8.6 from other than natural causes. AA,1,A,2

7.3 Nutrients

- (a) Total phosphorus shall not exceed 0.025 mg/L AA
- (b) Total phosphorus shall not exceed 0.050 mg/L A
- (c) Total phosphorus shall not exceed 0.100 mg/L 1,2
- (d) Total nitrogen shall not exceed 0.4 mg/L AA
- (e) Total nitrogen shall not exceed 0.75 mg/L A,1
- (f) Total nitrogen shall not exceed 1.50 mg/L 2
- (g) Ammonia (un-ionized) shall not exceed 0.02 mg/L AA,A,1,2

7.4 Dissolved Oxygen (except from natural causes)

- (a) Not less than 6.0 mg/L AA,1
- (b) Not less than 5.0 mg/L A,2

7.5 Total Dissolved Solids, Salinity, Currents

No change in channels, basic geometry or fresh water influx shall be made which would cause permanent changes in isohaline patterns of more than 10% from the natural conditions or which would otherwise adversely affect the indigenous biota and natural sedimentary patterns. AA,A

7.6 Temperature

Water temperature shall not vary by more than 1.5<sup>o</sup>F (0.9<sup>o</sup>C) from the ambient conditions. AA,A,1,2

7.7 Turbidity (Nephelometric Turbidity Units)

- (a) Turbidity shall not be greater than 2 NTU at any time. AA,1
- (b) Turbidity shall not be greater than 5 NTU at any time. A,2

7.8 Radioactive Materials

- (a) The concentration of radioactive materials in water shall not exceed 1/30th of the maximum permissible limits established for continuous occupational exposure given in the National Bureau of Standards Handbook No. 69. All surface waters
- (b) No radionuclide or combination of radionuclides shall be present at concentrations greater than those specified by the Commonwealth of the Northern Mariana Island Drinking Water Regulations and the National Primary Drinking Water Regulations. All surface waters
- (c) The concentration of radioactive materials in fresh, brackish, and marine waters shall not result in the accumulation of radioactivity in plants or animals that would result in a hazard to humans or aquatic life. All surface waters

7.9 Oil and Petroleum Products

- The concentration of oil or petroleum products shall not: All surface waters
- (a) Be detectable as a visible film, sheen, or discoloration of the surface or cause an objectionable odor.
- (b) Cause tainting of fish or other aquatic life, be injurious to the indigenous biota or cause objectionable taste in drinking water.
- (c) Form an oil deposit on beaches or shoreline or on the bottom of a body of water.

7.10 Toxic Substances

Criteria for toxic substances are given as either a maximum concentration or are determined by multiplying the stated application factor by the concentration determined to be lethal to 50% of the most sensitive indigenous organism after 96 hours of exposure (96 LC<sub>50</sub>). The 96 LC<sub>50</sub> values shall be determined by using bioassay procedures consistent with those described in the latest edition of Standard Methods for the Examination of Water and Wastewater.

All surface waters

The 96 LC<sub>50</sub> values shall be determined by using the most sensitive indigenous organism to the substance in question. When both an application factor and a maximum concentration are given, the lesser of the two shall constitute the water quality standards.

Toxic Substance Table

<u>Substance</u>	<u>Maximum Concentration Level</u>	<u>Application Factor</u>
Ammonia	0.02 mg/L	0.1
Arsenic	0.01 mg/L	0.01
Antimony	0.20 mg/L	0.02
Barium	0.50 mg/L	0.05
Beryllium	0.10 mg/L	0.01
Boron	5.00 mg/L	0.10
Cadmium	0.005 mg/L	0.01
Chlorine	0.003 mg/L	0.10
Chromium	0.05 mg/L	0.01
Copper	0.01 mg/L	0.10
Cyanide	0.005 mg/L	0.10
Fluoride	0.50 mg/L	0.10
Iron	0.05 mg/L	----
Lead	0.01 mg/L	0.01
Linear Alkylate Sulfonates	0.02 mg/L	0.05
Manganese	0.02 mg/L	0.02
Mercury	0.05 ug/gram weight of aquatic organism or 0.05 ug/L	
Molybdenum	-----	0.05
Nickel	0.002 mg/L	0.02

<u>Substance</u>	<u>Maximum Concentration Level</u>	<u>Application Factor</u>
Polychlorinated biphenyl	0.001 ug/L	----
Selenium	-----	0.01
Silver	0.001 mg/L	0.01
Sulfide	0.002 mg/L	0.10
Zinc	-----	0.01
Phenols	0.001 mg/L	0.01
Aldrin-Dieldrin	0.003 ug/L	0.01
Chlorodane	0.004 ug/L	0.01
Diazinon	0.002 ug/L	0.01
Demeton	0.100 ug/L	0.01
Dursban	0.001 ug/L	0.01
Endosulfan	0.001 ug/L	0.01
Endrin	0.004 ug/L	0.01
Fenthion	0.005 ug/L	0.01
Heptachlor	0.001 ug/L	0.01
Lindane	0.004 ug/L	0.01
Malathion	0.100 ug/L	0.01
Methoxychlor	0.030 ug/L	0.01
Mirex	0.001 ug/L	0.01
Parathion	0.040 ug/L	0.01
Pyrethrium	0.010 ug/L	0.01
Toxaphene	0.005 ug/L	0.01

#### 7.11 General Toxic Standards

No substance or combination of substances including oil and petroleum products shall be present in surface water in amounts that exceed 0.01 times the 96 LC<sub>50</sub> concentration unless it can be demonstrated to the Department that a higher concentration has no adverse effect, chronic or acute, on the intended uses of the water body in question.

#### 7.12 General Considerations

(a) Analytical testing methods for these criteria shall be in accordance with the most recent editions of Standard Methods for the Examination of Water and Wastewater, and other methods published by knowledgeable authorities and possessing adequate procedural precision and accuracy.

(b) Effects of high temperature, biocides, pathogenic organisms, toxic, corrosive, or other deleterious substances at levels or combinations sufficient to be toxic or harmful to human, animal, plant or aquatic life or in amounts sufficient to interfere with any beneficial use of the water, shall be evaluated as a minimum by use of a 96-hour bioassay as described in the most

recent editions of Standard Methods for the Examination of Water and Wastewater. Survival of test organisms shall not be less than that in controls which utilize appropriate water. Failure to determine presence of toxic substances by this method shall not preclude determination of excessive levels of toxic substances on the basis of other criteria or methods.

(c) Pollutant discharges shall be controlled so as to protect not only the waters receiving the discharge directly, but also those waters into which the initial receiving waters may flow.

(d) Whenever the ambient conditions are of a poorer quality than the criteria assigned, the ambient conditions shall constitute the water quality criteria.

## PART 8 CLASSIFICATION AND ESTABLISHMENT OF WATER USE AREAS

### 8.1 Rota

#### (a) CLASS AA

All coastal and oceanic waters surrounding Rota except for those waters delineated in CLASS A.

#### (b) CLASS A

The coastal waters known as East Harbor and West Harbor.

#### (c) CLASS 1

All fresh surface waters on Rota.

### 8.2 Tinian and Aguigan

#### (a) CLASS AA

All coastal and oceanic waters surrounding Tinian and Aguigan except for those waters delineated in CLASS A.

#### (b) CLASS A

The coastal waters know as San Jose Harbor.

#### (c) CLASS 1

All fresh surface waters on Tinian and Aguigan.

8.3 Saipan

(a) CLASS AA

All coastal and oceanic waters surrounding Saipan except for those delineated in CLASS A.

(b) CLASS A

The coastal waters from Puntan Muchot to Puntan Flores.

(c) CLASS 1

All fresh surface waters on Saipan.

8.4 Northern Islands (Farallon de Medinilla, Anatahan, Sariguan, Guguan, Alamagan, Pagan, Agrihan, Asuncion, Maug, Farallon de Pajaros)

(a) CLASS AA

All coastal and oceanic waters surrounding the Northern Islands except for those delineated in CLASS A.

(b) CLASS A

The coastal and oceanic waters surrounding Farallon de Medinilla.

(c) CLASS 1

All fresh surface waters in the Northern Islands.

PART 9 MIXING ZONE IN RECEIVING WATERS

The water quality criteria in these regulations shall apply within a mixing zone unless specific alternate criteria are approved by the Chief for specified parameters. The mixing zone shall be defined by specified linear distance, volume or area, discharge location, maximum flow, and maximum concentrations of important constituents which are determined on a case-by-case basis using the following criteria:

9.1 Mixing zones shall be as small as practicable and shall not be of such size or shape as to cause or contribute to the impairment of water uses. In determining the size and location of mixing zones for any discharge, the following shall be considered:

- a) size of receiving water, volume of discharge, stream bank or shoreline configuration, the mixing velocities, and other hydrologic and physiographic characteristics;
- b) present and anticipated future use of the body of water;
- c) present and anticipated future quality of the body of water; and
- d) the ratio of the maximum flow rate of waste being discharged to the lowest recorded flow rate of the receiving waters.

9.2 An adequate zone of passage shall exist at all times for the movement or drift of aquatic life.

9.3 Where two or more mixing zones are in close proximity, they shall be so defined that a continuous zone of passage for aquatic life is available.

9.4 Mixing zones shall not intersect any area of any waters in such a manner that the maintenance of aquatic life in the body of water as a whole would be adversely affected.

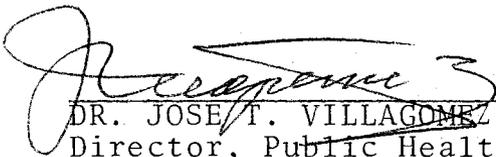
9.5 The discharge shall not violate the basic standards applicable to all water nor shall it unreasonably interfere with any actual or probable use of the waters within the mixing zone.

#### PART 10 ENFORCEMENT

The Department, acting through the Commonwealth Attorney General, is responsible for enforcement of these regulations in consonance with, and in accordance with the applicable laws of the CNMI and in accordance with U.S. P.L. 95-217, known as the "Clean Water Act", and its amendments. The Attorney General will institute legal actions to enjoin a violation, continuing violation or threatened violation of these regulations.

#### PART 11 CERTIFICATION

The undersigned hereby certifies that these regulations have been officially promulgated and adopted as final regulations pursuant to the authority contained in the Commonwealth of the Northern Marianas Public Law 3-23.

  
DR. JOSE T. VILLAGOMEZ  
Director, Public Health and  
Environmental Services

  
Date