WM - 2/19/16

Nineteenth Northern Marianas Commonwealth Legislature

IN THE HOUSE OF REPRESENTATIVES

February 19, 2016

Third Reg **Session, 2016** **H. B. 19-** 138

A BILL FOR AN ACT

To amend Title 4 Economic Resources, Division 1 Revenue and Taxation, Subsection 1407(a) and (b) by changing the grace period of payment for Excise Tax from 30 days to 15 days; and for other purposes.

BE IT ENACTED BY THE NINETEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings and Purpose. The Commonwealth Legislature finds that for items imported into the CNMI for business purposes, an excise or import tax is imposed. There is a long list of rates, depending on the type of item imported. The tax is assessed at point of entry. The CNMI Customs office will prepare an assessment sheet, and a business usually has 30 days to pay the tax.

The purpose of this Act is to amend 4 CMC § 1407 (a) and (b) by changing the excise tax payment grace period from 30 days to 15 days.

Section 2. Amendments. 4 CMC § 1407 (a) and (b) is amended to read as follows:

" (a) Generally. All taxes required by this chapter shall be paid within 30, except as provided herein, calendar days after the first sale, use,

completion of manufacture, lease or rental in the Commonwealth of goods, commodities, resources, or merchandise subject to excise tax.

(b) Customs Inspection and Clearance Required. In the case of those goods, commodities, resources, or merchandise whose first use in the Commonwealth requires customs inspection and clearance, payment shall be made within ~~30~~15 days after entry. Such goods, commodities, resources, or merchandise may be released prior to payment of excise tax and upon the submission of the bill of lading and/or manifest or invoice or any other form prescribed by the secretary. Where the actual amount of tax cannot be determined within seven calendar days after the entry, an estimated tax shall be paid within ~~30~~15 days after entry, subject to later adjustment."

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

Section 4. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding

instituted under or pursuant to prior law. The enactment of the Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

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

Prefiled:

Date: 2/19/16

Introduced By:
Rep. John Paul P. Sablan

Reviewed for Legal Sufficiency by:
House Legal Counsel