

TITLE 4: ECONOMIC RESOURCES
DIVISION 1: REVENUE AND TAXATION

§ 1501. Bar Tax.

(a) There is imposed upon any person doing business in any establishment located in the Commonwealth which is licensed to serve alcoholic beverages for consumption on the premises of the establishment, a tax in the amount of 10 percent of the total charge for any alcoholic beverage sold or consumed at the establishment. "Alcoholic beverage" means any beverage containing alcohol.

(b) Every person subject to the tax imposed by this section shall make a monthly return to the secretary of all amounts received from the sale of beverages and shall pay the taxes required to be paid on or before the twentieth day of the succeeding month.

Source: PL 9-22, § 1 (§ 1501), modified (repealing PL 3-11, § 501); amended by PL 10-51, § 2; subsection (a) amended by PL 11-25, § 5.

Commission Comment: With respect to the reference to the "secretary" of the Department of Finance, see Executive Order 94-3 (effective August 23, 1994), reorganizing the executive branch, changing agency names and official titles, and effecting other changes, set forth in the Commission comment to 1 CMC § 2001.

Section 2 of PL 10-51 amended subsection (a). PL 10-51 took effect on March 19, 1997. According to PL 10-51, § 1:

Section 1. Findings. The Legislature finds that the current language of 4 CMC § 1501(a), which neglects to make clear that the bar tax applies only to alcoholic beverages, is confusing to some persons. The current bar tax provision enacted by Public Law 9-22 simply recites the same language used to impose the tax under prior law, but with a higher tax rate. The Legislature finds that the former law was interpreted to apply only to alcoholic beverages (non-alcoholic beverages being classified as food), and no taxpayer has ever been compelled to pay bar tax on the sale of non-alcoholic beverages. Nevertheless, an unfortunate ambiguity exists in the statute. Under the old tax code, this ambiguity was of little concern. But since Public Law 9-22 increased this tax to more than three times its former rate, the ambiguity is no longer acceptable. Since this bill merely clarifies the language in existing law, making no substantive changes, it is not a revenue bill which would have to originate in the house.

PL 10-51 contained severability and savings clauses as follows:

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

Section 4. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.

Section 5 of PL 11-25 amended subsection (a). PL 11-25 took effect on August 10, 1998.