

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 1: REVENUE AND TAXATION**

**§ 1709. Tax On Overpayments.**

There is imposed on every person who is subject to the NMTIT and who has an overpayment arising from any excessive credit, other than a credit relating to taxes withheld at the source, such as wages, and the credit relating to estimated taxes paid in excess of the actual tax liability of the taxpayer, a separate, additional tax for such taxable year equal to the amount of such overpayment.

**Source:** PL 9-22, § 1 (§ 1709); amended by PL 11-25, § 6.

**Commission Comment:** PL 11-25 that amended this section, took effect on August 10, 1998. Section 2 of PL 11-25 contained findings as follows:

Section 2. Findings. The Legislature finds that 4 CMC § 1402(a), as enacted by Public Law 9-22, was amended by Public Law 9-57. The Legislature further finds that this statute is in need of further amendment to help alleviate the financial crisis facing the Commonwealth government, by eliminating sunset provisions that would reduce tax revenues. Likewise, the excess credit tax on the Earned Income Credit under the Northern Marianas Territorial Income Tax (NMTIT), which was partially eliminated by Public Law 9-22, must be reinstated. The Commonwealth can no longer afford to pay this credit. In addition, the Commonwealth's implementation of the Earned Income Credit in a manner that diverges from that of the U.S. Internal Revenue Code exposes the CNMI government to potential liability in the tens of millions of dollars. Re imposition of the excess tax credit on the Earned Income Credit will eliminate this risk to the Commonwealth and CNMI taxpayers.

The Legislature also finds and declares that the amendment to 4 CMC § 1402(a) made by Public Law 9-57 had the effect of extending the sunset date for 4 CMC § 1402(a)(16), as amended, until October 6, 1998.

The Legislature also finds that the ceiling on the number of poker and pachinko slot machine licenses is a deterrent to economic growth in the Commonwealth and should be lifted. Accordingly, the ceiling on poker and pachinko slot machines is repealed and license fees for such machines are increased. Each Senatorial District is authorized to adopt additional license fees which shall be available for local appropriation.