COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

CIVIC CENTER, SAIPAN, MARIANA ISLANDS

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Commonwealth

Register

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PUBLIC NOTICE

Office of Registrar of Corporations Commonwealth of the Northern Mariana Islands

ADOPTED REGULATIONS

Department of Education

Authority

The Board of Education, in accordance with Public Law 3-43, Section 203 (a)(b), wishes to advise the public that the following policies have been officially adopted.

Subject Matter

The adopted policies include the following subjects:

- 1. Student Transportation
- 2. Chartering of Non-Public Schools
- 3. Education and Training Leave for Department of Education Employees
- 4. Compensation for Board of Education Members

Public Comment

During the period of time designated for public comment, no comments were received concerning any of the proposed policies.

The policies are adopted as originally promulgated without changes.

DATE

CHAIRMAN Board of Education



COMMONWEALTH PORTS AUTHORITY

Main Office: SAIPAN INTERNATIONAL AIRPORT)

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P. O. BOX 1055 • SAIPAN • CM 96950

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Office of Registrer of Corporations Commonwealth of the Northern Mariana Islands

PUBLIC NOTICE OF PROPOSED AMENDMENT TO CPA RULES AND REGULATIONS

The Commonwealth Ports Authority, pursuant to the authority of Section 4(4) of Public Law No. 2-48, and in accordance with the provisions of Section 4(1) of Title 17 of the Trust Territory Code, hereby gives notice to the public of its intention to adopt new regulations for the Commonwealth Ports Authority concerning notification of airline schedule changes. The proposed regulations are published herewith.

All interested persons will be given a reasonable opportunity to submit data, views, or arguments, in writing, concerning the proposal regulations. Written comments must be submitted to the Executive Director, Commonwealth Ports Authority, not later than the close of business thirty (30) calendar days following the date of publication of this Notice.

DATED, this 18th day of January, 1984:

J.M. GUERRERO

Chairman

Board of Directors

Commonwealth Ports Authority

COMMONWEALTH PORTS AUTHORITY



Main Office: SAIPAN INTERNATIONAL AIRPORT P. O. BOX 1055 • SAIPAN • CM 96950

NOTISIAN PUBLIKO

I Commonwealth Ports Authority, sigun gi Seksiona 4(4), Lai Publiko 2-48, yan sigun gi probision siha nui Seksiona 4(1), Kapitulo Numero 17, Kodikon Trust Territory, ha notitisia a publiko pot i intension para umaadapta man nuebo na regulasion i Mariana Islands Airport Authority pot i notician i atulaikan schedule batkon aire. I mapropopone na regulasion para mapublika guine.

Todos personas ni man interesao siempre manae opportunidad ni unfanmatugi ya umasubmiti opinion pot este na mapropopone na regulasion gi Executive Director, Mariana Islands Airport Authority, gi halom trenta (30) dias despues de mapublika este na Noticia.

FECHA i Enero dia 18th, 1984:

J.M. GUERRERO

Chairman

Board of Directors

Commonwealth Ports Authority

P.O. Box 1055, Saipan, CM 96950

COMMONWEALTH PORTS AUTHORITY



Main Office: SAIPAN INTERNATIONAL AIRPORT P. O. BOX 1055 • SAIPAN • CM 96950

PROPOSED AMENDMENTS TO RULES AND REGULATIONS

Part 7 of the Rules and Regulations of the Commonwealth Ports Authority is hereby amended by the addition of a new Part 7.8, to read as follows:

"7.8. Notification of Airline Schedule Changes.

Every commercial Airline operating regularly scheduled service to or from any airport of the Commonwealth shall, as soon as practicable, notify the Authority of any and every change in the scheduled arrival and departure of its flights. The Authority deems such notification necessary in order that the Authority may assure that airports are adequately staffed to handle such flights. If notification of a proposed scheduled change is not provided to the Authority at least sixty days prior to the effective date of such schedule change, the Authority cannot guarantee that sufficient staff will be available at the Airport(s) affected."

This Regulation takes effect upon its adoption by the Commonwealth Ports Authority, and upon its publication in the Commonwealth Register in accordance with law.

Public Notice

Filed this ____ Office of Registrar of Corporations Commonwealth of the Northern Mariana Islands

Proposed Agriculture and Marine Revolving Fund Regulation for Rota

The Directors of the Departments of Finance and Natural Resources is proposing a regulation to be promulgated for the administration of the revolving funds for Rota, pursuant to Section 309 of Public Law 3-54.

The purpose of this regulation is to conform to Public Law 3-54, to provide for a uniform application of the funds, to establish a standard criteria in obtaining the fund, and for other purposes.

The proposed regulation is composed of the following subheadings:

- I. Authority
- II. Purpose of Funds
- III. Administration
- IV. Loan Committee
- V. Loan Application
- VI. Terms and Conditions
- VII. Income
- VIII. Collection and Foreclosures
 - IX. Accounting of Funds
 - X. Review of Loan Fund Application
 - XI. Amendment of Regulation
- XII. Effective Date

Any individual on the island of Rota which under the proposed regulation may benefit, is invited to comment for or against the proposed regulation. Your comments may be sent to the Mayor of Rota within thirty (30) days upon the date of publication of this notice in the Commonwealth Register.

Copies of the proposed regulation can be obtained and comments sent to:

Mayor of Rota Commonwealth of the Northern Mariana Islands Rota, CM 96951

Tomas B. Aldan

Director of Finance

.colas M./ Leon Guerrero

Director of Natural Resources

Noticia Para I Publico

Este na propositu pot para umana guahayi areklamentun uma'ayao salappe pot asuntun gualu yan peska para i taotao Rota

I Direktot Finance yan Natural Resources ha nutitisia i hinirat publico giya Rota pot i propositu ni para umana guahayi areklamento pot i fondon salappe ni mana'quahayi nu i kongresista para i peskadot yan lancheru siha segun gi ginagagao na lain publico numero 3-54.

I propositon este na areklamento i pot para uma establesi fotmat na manera ni para ma'usa-na i fondo yan lokue ni ma'ayao-na yan pot otro siha na rason.

I areklamento ha kukubri i mansigiente siha na areklo yan infotmasion:

- I. Aturidat
- II. Para hafa i fondon salappe
- III. Ma'atministra-na i fondo
 - IV. Commite muna'ayao
 - V. Aplikasion umayao
- VI. Tetminu yan kondision
- Ginan'nan salappe VII.
- VIII. Apas dibi yan mahuchom bisnis pot dilenquente
 - Taimanu matufong'na i fondo IX.
 - Ma'inan i fondo х.
 - XI. Ma'amendan i areklamento
 - XII. Fecha ni mana'ifektibu

Todo indibiyuat ni resindenten Rota ni sina mangai direcho nu este na salappe, manmafafaisen para u matugi'i i Mayot Rota yangin guaha ti guinaiyan-niha osino, uguaha minalago'-niha tinilaika gi areklamento. Este na ginagao ma'ekstende asta 30 dias desdeki mapublika gi Commonwealth Register. Yangin enteresao hao nu este na areklamento sina mangagao hao kopia gi ofisinan i Mayot, osino tugi'i sigiente:

> Mayot Rota Commonwealth of the Northern Mariana Islands Rota, CM 96951

A/dan

Direktot i Financiat

Direktot i Natural Resources

I. Authority

Public Law No. 3-45, signed by the governor on May 4, 1983 per Section 205 (b) 3, appropriated \$25,000 to the Office of the Mayor of Rota for Agriculture and Marine Revolving Fund purposes. Per Section 309, the Mayor of Rota or his authorized designee is authorized to expend, obligate, encumber, or otherwise commit funds appropriated by Section 205 (b), Item 3 of this act after regulations are published providing for the payment and accounting of such funds.

II. Purpose

The intention of the Mayor's Office is to use the available funds to establish an agricultural and marine loan program to reactivate this once prosperous industry. The use of these funds is for farming and fishing purposes only and not to be expended for administrative operation of the fund. The type of loan will be divided into two major areas;

- A. Agriculture funds are to be used for general farming needs such as:
 - 1. Land clearing
 - 2. Disking services
 - 3. Fertilizer
 - 4. Equipment
 - 5. Seeds and insecticides
 - 6. Fencing
 - 7. Pasture and improvement
 - 8. Livestock purchases
- B. Marine funds are to be used for general fishing needs such as:
 - 1. Purchase of rods and reels
 - 2. Equipment and fixtures
 - 3. Major repair of boat and equipment

III. Administration

- A. The Resident Director of the Department of Commerce and Labor shall be responsible for the processing of loan applications for review and approval by the loan committee as designated by the Mayor of Rota.
- B. The Resident Director of the Department of Commerce and Labor in Rota or the department representative in Rota shall be responsible for all administrative activities relative to this loan program.
- C. All checks on approved loan must be signed by the Mayor and the Resident Director of the Department of Commerce and Labor, Rota.

IV. Loan Committee

The Loan Committee shall consist of the Mayor of Rota, Resident Directors of the Departments of Commerce and Labor and Natural Resources or their authorized designees. The loan committee shall be responsible for review and approval of loan applications.

V. Loan Applications

A. Qualifying Criteria

- 1. Applicant must be a resident of Rota who is serious about improving and developing his fishing, farming or livestock venture.
- 2. Must reflect repayment ability in the loan application.
- 3. Must have real or personal property to secure against the loan.

B. Filing

- 1. All loan applications and other necessary documents must be filed at the Department of Commerce and Labor.
- 2. If it is determined that the loan application and other documents are incomplete, it shall be returned to the applicant for resubmission.

C. Requirements

All applicants must submit the following documents:

- 1. Completed application form
- 2. Financial statements
- 3. Authorization for credit check
- 4. Description of collateral offered
- 5. Insurance, if applicable
- 6. Mortgage, if applicable

D. Fraudulent Application

Any application, for a loan under these funds, when discovered at anytime to be fraudulent, shall be automatically rejected and disbursed funds shall be due and payable immediately.

VI. Terms and Conditions

A. Maximum loan amount

For purposes of this revolving fund, \$1,500 shall be the maximum allowable loan per applicant until such time that the loan is fully paid.

B. Term

The loan committee shall determine the repayment period of the loan but not to exceed two years.

C. Interest

All loans must be charged annual interest rate of 5% applicable on the declining principal balance of the loan.

D. Loan Fee and late Charges

- 1. A loan fee of \$5.00 shall be charged to the borrower, due, and payable upon closing of the loan.
- 2. Late fee of 5% on amount due will be assessed against any late payment.

E. Collateral

- 1. All loan to purchased equipment, machinery, implements, accessories, fixtures, gears, and any other items having a useful life of over one year, must be assigned in a form of chattel mortgage or security interest of the respective fund.
- 2. All loans approved for purposes other than the purchase of machinery and fixtures must provide real property as collateral. The applicant shall execute mortgage and other required documents prior to disbursement of approved funds.

F. Use of Funds

- 1. Disbursed funds shall be spent in accordance with the approved purpose of the loan.
- 2. Receipts or other documents in which disbursed funds were used shall be presented to the Department of Commerce and Labor within thirty days.
- 3. Applicants shall initiate action on the project within thirty days after the loan is approved and funds disbursed. If the applicant fail to comply without justifiable cause, the loan shall be rejected and the disbursed funds due and payable immediately.

VII. Income

All interest income and fees shall revert to the fund for loan purposes.

VIII. Collection and Foreclosure

- A. Any applicant who is in arrears for a period of six consecutive months shall be declared delinquent and the full amount of the outstanding loan is due and payable immediately. The loan committee is authorized to initiate foreclosure proceedings thereafter.
- B. The Resident Director of the Department of Commerce and Labor in Rota or the department representative in Rota shall be responsible for the collection of all loan proceeds. At his discretion, he shall take and thereto exhaust all and every administrative efforts before foreclosure proceedings is initiated subject to the provision of A. of this section.
- C. In the event of foreclosure, the loan committee shall refer the matter to the Attorney General for legal assistance.
- D. The Resident Director of the Department of Commerce and Labor in Rota or department representative is authorize to repossess all items under Section VI E, and to deprive borrower from further use of the item(s), when a foreclosure has been consumated.
- E. The Resident Director of the Department of Commerce and Labor in Rota or department representative is authorize to proceed public auction to liquidate repossessed goods for the purpose of satisfying the loan. He is expected to exercise business acumen with a minimum price of all goods to be auctioned.

IX. Accounting of Funds

- A. The Resident Director of the Department of Commerce and Labor shall keep daily cash receipts, disbursements register, monthly bank statements, and financial statement.
- B. The Resident Director of the Department of Commerce and Labor shall prepare and submit monthly financial statement, cash receipts, and disbursements report to the Mayor of Rota, Resident Director of Natural Resoures, Executive Director of EDLF, and Director of Finance.

X. Review of Loan Fund Program

- A. The fund shall be subject to an annual review under the supervision of the Mayor's Office. The annual review shall include but not limited to the following procedures:
 - 1. Accountability of funds
 - 2. Collectibility of funds

- 3. Adherence to loan documentation
- Preparation of financial statements
- The Resident Department of Commerce and Labor shall provide a copy of the annual review to the Governor, Mayor of Rota, Rota Delegation, Resident Director of the Department of Natural Resources, Executive Director of EDLF, and Director of Finance.

XT. Amendment of Regulation

The loan committee may recommend necessary changes in this regulation to the Resident Director of the Departments of Commerce and Labor and Natural Resources and for their approval.

XII. Effective Date

The regulation shall become effective upon publication in the Commonwealth Register and the approval of the Directors of the Departments of Finance and Natural Resources.

Submitted by: Prudencio T. Manglona

Mayor of Rota

10-14-83 Date

Approved

Thomas B. Aldan

Director of Finance

Director of 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 9, 1984

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

PUBLIC HEARING ON REVENUE AND TAXATION RULING NO. 83-001

The Director of Finance wishes to advise all taxpayers and other individuals that there will be a public hearing on Revenue and Taxation Ruling No. 83-001 in regards to Food Services Industry. The hearing is scheduled to be held at the Convention Center in Capitol Hill, on February 23, 1984, at 1:00 p.m. All interested individuals are advised to attend.

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

Febrero 9, 1984

filed this _______ day of

NOTISIAN PUBLIKU Office of Registrar & Corporation Island

INEKUNGOK PUBLIKU POT AREGLON REVENUE YAN TAXATION NUMERO 83-001

I Direktot i Finansiat malagu ha-abisa todo persona ni man man-aapase aduana, yan pumalon individuat siha, na para uguaha inekungok publiku pot Areglon Revenue yan Taxation Numero 83-001 ni ha esplilika i busines servision nengkano. I "Convention Center" gi Capitol Hill i ma detetmina na lugat ni para uma kondukta i inekungok publiku gi dia 23 de Febrero 1984, gi oran ala una gi taloane.

TOMAS B. ALDAN

Direktot i Finansiat

Date



Saivan, Mariana Islands 96950

Commonwealth of the Northern Mariana PUBLIC NOTICE

Adoption of the Proposed Revenue and Taxation Ruling 84-001

The Public is hereby advised that the proposed Revenue and Taxation Ruling 84-001 is adopted without any change.



Saipan, Mariana Islands 96950

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

Rev. & Tax.

DEPT. or ACTIVITY

February 10, 1984

PUBLIC NOTICE

ON

EMERGENCY AMENDMENT NO. 10284
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 Title 1. Section 9104(b) of the Commonwealth Code, hereby, finds that the absence of regulations for certain provisions of Public Law No. 3-11, as amended, and the present typographical errors in Revenue and Taxation Regulations No. 8301 governing Public Law No. 3-11, as amended, are inhibiting the administration and enforcement of the Revenue and Taxation Act of 1982 which jeopardize the resources and the interest of the Commonwealth. The public interest, therefore, requires the immediate promulgation of Emergency Amendment No. 10284 to Revenue and Taxation Regulations No. 8301 to act as interim amended regulations until the procedures mandated by Title 1, Section 9104(a) of the Commonwealth Code for promulgation of permanent amended regulations may be complied with. The amendments as set forth hereinafter are to be effective for a period of 120 days after promulgation [1 CMC Sections 9104(b) and 9105(b)(2)] unless repealed or modified at an earlier time as provided by the laws of the Commonwealth.

Certified By:

TOMAS B. ALDAN
Date

Director of Finance

Concurred By:

PEDRO P. TENORIO
Governor

February 5 1900 Date of Filing Mith Registrar

h Registrar of Corporation



Saivan. Mariana Islands 96950

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

Rev. & Tax. DEPT. or ACTIVITY

Febrero 10, 1984

NOTISIAN PUBLIKU

EMERGENCY NA AMENDASION NO. 10284 GI REGULASION I REVENUE YAN TAXATION NUMERO 8301

I Direktot i Finansiat, pot para u-konsiste yan I Lai Publiku Numero 1-8, Numero 3-11 yan Titulu 1, Seksiona 9104(b) gi Kodigun i Commonwealth, ha sodda na pot taya areglamento gi pumalo patti gi Lai Publiku Numero 3-11, ni matulaika, yan gi presente guaha linache gi regulasion ni ha gobietbietna i Lai Publiku 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 publiku ginagagao amano sina na chinaddek uma establese este i Emergency na Amendasion No. 10284 gi Revenue yan Taxation Regulasion Numero 8301 komo temporario na amendasion gi regulasion estake ma establese i permanente na amendasion gi regulasion segun i ginagagao ni Titulu 1, Seksiona 9104(a) gi Kodigun i Commonwealth. I amendasion ni ma mensiona guine para umana efektibo 120 dias na tiempo [1 CMC Seksiona 9104(b) yan Seksiona 9105(b)(2)] solo ma diroga pat ma tulaika gi halom i tiempo ni ginagagao sigun gi lai.

Sinettifika As:

TOMAS B. ALDAN

Direktot i Finansiat

Kinenfotma As:

PEDRO TENORIO

&obietno

COMMONWEALTH REGISTER

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FEBRUARY 15, 1984

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Saipan, Mariana Islands 96950

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

Rev. & Tax.

February 10, 1984

Filed, this ______

PUBLIC NOTICE

Office of Registrar of Corporations

Commonwealth of the Northern Mariana Islands

PROPOSED AMENDMENT NO. 10284

REVENUE AND TAXATION REGULATIONS NO. 8301

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

The proposed amendments include the following subjects:

Section 1. Title and number of the amendments.

Section 2. The regulations being amended.

Section 3. Amended Sections 1.818.7(d) and (k).

Section 4. Renumbering of subsection letters.

Section 5. New Subsections "(c)," "(i)," "(k)," "(y),"
 "(cc)," and "(ee)" to Section 1.818.7.

Section 6. Amended Section 2.303.

Section 7. Amended Section 2.804(e).1(a).

Section 8. Amended Section 3.402.2(i).

Section 9. New Section "(1)" is added to Section 3.402.2.

Section 10. Addition of a new Section 3.601.

Section 11. New Section 3.605.6.

Section 12. Amended Section 3.818.25.

Section 13. New Section 4.818.

Section 14. Addition of a new Section 2.305.

Section 15. New Sections 2.818.4 and 2.818.5.

Section 16. Revised Section 4.810.5.

Section 17. Amended Section 2.104(c).

Section 18. Amended Section 2.104(u).

Section 19. New Section 2.508.

Section 20. Amended Section 1.818.4

The proposed amendments may be inspected at the Division of Revenue and Taxation, Central Office, Capitol Hill, Commonwealth of the Northern Mariana Islands, Saipan, CM 96950. These amendments 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 amendments to Revenue and Taxation Regulations No. 8301 from the general public.

Anyone interested in commenting on the proposed amendments to Revenue and Taxation Regulations No. 8301 may do so by submitting in writing to the Director of Finance, Commonwealth of the Northern Mariana Islands, Capitol Hill, Saipan, CM 96950, within thirty (30) days from the date this notice is published in the Commonwealth Register.

Certified By

TOMAS B. ALDAN

Director of Finance

Date



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

GOV. NMI SAIPAN

Rev. & Tax.

FOR OFFICIAL USE CABLE ADDRESS

Febrero 10, 1984

Corporations NOTISIAN PUBLIKU office of Registrar Commonwealth of the Northern Mariana Islands

PROPOSITON AMENDASION NO. 10284 AREGLAMENTO NUMERO 8301 PARA I REVENUE YAN TAXATION

I Direktot i Finansiat, segun i Seksiona 818, Kapitulu VIII, gi Lai Publiku Numero 3-11, yan Seksiona 8, Kapitulu 11, Titulu I, gi Lai Publiku Numero 1-8, ha propopone para una guaha amendasion gi areglamento yan regulasion, ya para u ma rekognisa komo Amendasion No. 10284 gi Revenue yan Taxation Regulasion No. 8301.

I proposito na amendasion ha-konsiste este siha:

Seksiona 1. Titulu yan numeron i amendasion.

Areglamento ni ma amemenda. Seksiona 2.

Ma Amendan i Seksiona 1.818.7(d) yan (k). Seksiona 3.

Tinilaika gi numeron seksiona. Seksiona 4.

Nuebo na Seksiona "(c)," "(i)." "(k)." Seksiona 5. "(y)," "(cc)," yan "(ee)" gi Seksiona 1.818.7.

Seksiona 6. Ma Amendan i Seksiona 2.303.

Seksiona 7. Ma Amendan i Seksiona 2.804(e).1(a).

Ma Amendan i Seksiona 3.402.2(i). Seksiona 8.

Seksiona 9. Nuebo na Seksiona "(1)" mana halom gi Seksiona 3.402.2.

Seksiona 10. Nuebo na Seksiona 3.601.

Seksiona 11. Nuebo na Seksiona 3.605.6.

Seksiona 12. Ma Amendan i Seksiona 3.818.25.

Seksiona 13. Nuebo na Seksiona 4.818.

Seksiona 14. Mana halom nuebo na Seksiona 2.305.

Seksiona 15. Nuebo na Seksiona 2.818.4 yan 2.818.5.

Seksiona 16. Tinilaika gi Seksiona 4.810.5.

Seksiona 17. Tinilaika gi Seksiona 2.104(c).

Seksiona 18. Tinilaika gi Seksiona 2.104(u).

Seksiona 19. Nuebo na Seksiona 2.508.

Seksiona 20. Tinilaika gi Seksiona 1.818.4.

I proposito na amendasion gi regulasion siña ma rikonosi gi ofisinan i Revenue yan Taxation gi Capitol Hill, Commonwealth of the Northern Mariana Islands, Saipan, CM 96950. Este na amendasion gi regulasion ma publika gi Commonwealth Register. Siña mañule hao kopian este na publikasion gi ofisinan i Abogadon Gobietno.

I ofisinan i Direktot i Finansiat ma ma-maisen idea, fakto yan nota ginen i publiku kao mauleg osino makokontra este na proporiton amendasion gi Regulasion Numero 8301.

Todo man interesao na individual ni para ufan na halom opinion ni fumabot, osino ma kokontra este na amendasion, man ma-fafaisen na u ma satmite i matugi na opinion niha guato gi ofisinan i Direktot i Finansiat, Commonwealth of the Northern Mariana Islands, Capitol Hill, Saipan, CM 96950, gi halom 30 dias desde i fecha anai ma publika este na notisia gi Commonwealth Register.

Sinettifika .

Direktot i Finansiat

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AMENDMENT NO. 10284 REVENUE AND TAXATION REGULATIONS NO. 8301 OFFICE OF THE DIRECTOR OF FINANCE DEPARTMENT OF FINANCE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



Section 1. This amendment shall be known and may be cited as "Amendment No. 10284."

Section 2. This amendment amends certain provisions/corrects typographical errors in Revenue and Taxation Regulations No. 8301. All references herein to pages, lines, and sections are to Revenue and Taxation Regulations No. 8301 as it appears in the Commonwealth Register, Volume 5, No. 2, pages 1808 to 1868.

Section 3. Sections 1.818.7(d) and (k), pages 1810 and 1811, are amended to correct typographical errors. These amendments shall be made before the renumbering of the subsections in Section 1.818.7 as required by the following Section 4. The amendments to this section (§3) are as follows:

- "(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 201, Public Law 3-11."
- "(k) Construction Material For purposes of Section 402(g) of Public Law 3-28 (an amendment to Public Law 3-11), construction material 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, doorknobs, ceramics, tiles, sinks, toilets, and paints."

Section 4. The following subsection letters of Section 1.818.7, pages 1810 to 1813, are changed as follows:

From	To
Subsection Letter	New Subsection Letter
"(c)"	"(d)"
"(d)"	"(e)"
''(e)''	"(f)"
''(f)''	"(g)"
''(g)''	"(ĥ)"
''(h)''	"(1)"
''(i)'' ''(i)''	''(m)'' ''(n)''

To From New Subsection Letter Subsection Letter "(j)" "(k)" "(ŏ)" ''(1)'' ''(p)''' "(m)" "(q)" "(n)" "(o)" "(r)" "(s)" "(p)" "(p)" "(t)" "(u)" "(r)" "(s)" "(v)" "(w)" "(t)" "(u)" "(x)" "(z)""(v)" ''(w)'' "(aa)" "(bb)" "(x)" "(dd)" ''(у)'' "(ź)" "(ff)" ''(gg)'' "(aa)" "(bb)" "(hh)"

Section 5. New Subsections "(c)," "(i)," "(k)," "(y)," "(cc)," and "(ee)" are added to Section 1.818.7, pages 1810 to 1813. The new subsections are:

- "(c) Annual For purposes of Chapter V of Public Law 3-11, the term "annual" as used in these regulations and in Public Law 3-11 and amendments, unless the context otherwise requires, means a calendar year."
- "(i) Commonwealth Whenever the word "Commonwealth" appears in the regulations unless the context otherwise requires, it means the Commonwealth of the Northern Mariana Islands as defined in 4 CMC Section 1103(d)."
- "(k) Consumer The word consumer means a person, as defined in 4 CMC Section 1103(q), who receives, purchases, uses, conserves, dissipates and squanders goods and services, and including electrical power, water, and sewer services rendered by the Saipan Utility Agency and its successors."
- "(y) Ocean Shippers For purposes of Public Law 3-11 and these regulations, the term "ocean shippers" means individual, partnership, corporation, association, and other persons who are engaged in the business of shipping goods, wares, merchandise, and other commodities. Persons who are engaged in the business of transporting people, and persons who act as agent of ocean shippers are not qualified for the exemption of Section 303 of Public Law 3-11."

- "(cc) Professionals, Payment to Awards and other compensations for winning in a professional match to any person who is certified professional in the field of competition shall be taxed pursuant to Section 301 of Public Law 3-11."
- "(ee) Raw Material An article or merchandise that is changed in form or substance or combined with other article(s) in a manufacturing process to become a part of a finished product or to form a new product which is produced in a factory."
- Section 6. Section 2.303, page 1822, is amended to include the words "Ocean Shippers." The amended version reads:
 - "Section 2.303. <u>Manufacturers, Ocean Shippers,</u> and Wholesalers.
 - (a) Businesses solely deriving gross revenue from manufacturing, ocean shipping, and wholesaling are taxed at the rate of 2% on the entire gross revenue.
 - (b) The provision of Section 303 of Public Law 3-11 applies to all businesses consisting of two or more separate and distinct businesses. Such businesses 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, ocean shipping and wholesaling. Any additional gross revenue from wholesaling, ocean shipping, and manufacturing is taxed at the rate of two percent."
- Section 7. The word "revenue" on line 2 of Section 2.804(e).1(a), page 1829, is changed to "income." The revised subsection reads:
 - "(a) One form (Form OS-3805) must show the cumulative total gross income from January 1, 1982 through May 31, 1982. The tax for this period is computed by using the following table:"
- Section 8. Section 3.402.2(i), page 1836, is amended to read as follows:
 - "(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; and all kitchen utensils and other equipment taken off from a carrier to be sanitized or repaired for reuse by aircraft or vessel."

Section 9. A new Subsection "(1)" is added to Section 3.402.2, page 1836, which provides for —

"(1) Machinery, equipment, vessels, and aircraft reimported for reuse within the Customs Territory of the Northern Mariana Islands, provided, however, that such machinery, equipment, vessels, and aircraft have been taxed at their first entry into the Commonwealth and have been granted Customs clearance prior to being taken out of the Northern Marianas Customs Territory. Vessels and aircraft must also have their home port in the Northern Marianas."

Section 10. On page 1841, a new Section 3.601 is added which reads:

"Section 3.601.1. <u>User Fees</u>. Any person requiring the Customs Service certification for purposes of Headnote 3A and other related export requirements shall be charged a user fee. The user fee shall be 3% of the gross value of the merchandise to be exported which shall become due and payable upon certification. The Customs Service shall impose the interest charge of 4 CMC Section 1817 on all user fees not paid when due."

Section 11. The "RESERVED: Section 3.605.6," page 1842, is now "Section 3.605.6. Autonomous Government Agencies." This section reads:

"Section 3.605.6. Autonomous Government Agencies. Other than those in leased building where utility and other related charges are part of the rental or leased agreements, independent government agencies in private or government building which generate revenues that become part of their resources, shall be required to pay charges for electrical power, water, and sewer services as well as charges for installation, reconnection, administrative and other overhead."

Section 12. The words "fee, or charge" are inserted immediately after the word "tax" at the beginning of the third sentence in Section 3.818.25, page 1853. The amended section reads:

"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 check returned by the bank due to insufficient funds must be replaced by either cash, U.S. Postal Money Order, or certified check. Any tax, fee, or charge 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 checks."

Section 13. A provision is added to the Reserved Section 4.818.8 on page 1864. The section now reads:

"Section 4.818.8. Operation.

(a) A balance over a latte stone with a star in the center shall be the emblem for the Division of Revenue and Taxation. The emblem, in addition to the official seal of the Commonwealth, shall be used on letterheads, returns, identification cards, and other documents and stationeries used by the Division of Revenue and Taxation.

- (b) The hours of operation for the Division of Revenue and Taxation shall be from 0800 to 1130 hours and 1230 to 1600 hours daily except Saturday, Sunday, or a legal holiday, and other days authorized by the Governor for government offices to be closed. During these hours, the Division of Revenue and Taxation will render services to the general public and other government agencies.
- (c) The regular working hours for the employees of the Division of Revenue and Taxation shall be from 0730 to 1130 hours and 1230 to 1630 hours daily except Saturday, Sunday, or a legal holiday, and other days authorized by the Governor for government offices to be closed."

Section 14. A new Section 2.305 is added to the regulations. The new section is as follows:

"Section 2.305. Exemption of Exporters — Requirements. Any person having gross revenue from the sale of goods, resources, food or agricultural produce

which was delivered outside of the Commonwealth of the Northern Mariana Islands is exempted from any tax levied under Chapter III of Public Law No. 3-11 upon the gross revenue derived solely from such export sales. However, a quarterly tax return must be filed regardless if no tax is due."

Section 15. Sections 2.818.4 and 2.818.5 are new sections. The new sections read:

"Section 2.818.4. Timely Mailing Treated As Timely Filing and Paying. The provision of Section 7502 of the Territorial Income Tax Law (IRC) shall be made applicable to all tax returns, requests, applications, deposits, and payments under Public Law No. 3-11 and these regulations. However, returns, requests, and applications shall not be treated as timely paid if no payment is made with the returns, requests, or applications; or, if a check is returned by the bank due to insufficient funds. Withholding returns filed without payment would not be considered timely filed even though it is sent in the mail [4 CMC §1804(b)(1)]."

"Section 2.818.5. Time for Performance of Acts Where Last Day Falls on Saturday, Sunday, or Legal Holiday. When the last day prescribed under authority of Publuc Law No. 3-11, as amended, for performing any act falls on Saturday, Sunday, a legal holiday, or days authorized by the Governor for government offices to be closed, the performance of such act shall be considered timely if it is performed on the next succeeding day which is not a Saturday, Sunday, a legal holiday, or a day authorized by the Governor for government offices to be closed. For purposes of this section, the last day for the performance of any act shall be determined by including any authorized extension of time. The term "legal holiday" means a legal holiday in the Commonwealth of the Northern Mariana Islands."

Section 16. Section 4.810.5(a) is revised as follows:

"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 Trial Court, pursuant to Public Law No. 3-11. The Commonwealth Trial Court is an independent judicial body and has no

connection with the Division of Revenue and Taxation or the Department of Finance. (See flowchart on Tax Appeal Procedure on page 8 of this amendment).

Section 17. Section 2.104(c), page 1824, is amended to read as follows:

"Section 2.104(c). Form of Business Subject to Taxation. A business consisting of two or more separate and distinct businesses would pay the tax on the combined gross revenue of all the businesses. The combined gross revenue of all the businesses, including the gross revenue of branches and subsidiaries from without the Commonwealth, would be reported on one return. However, gross revenue which is taxed under Sections 302 and 304 of Public Law 3-11 shall be reported on a return prescribed for each section, and the taxes paid therefrom.

Example (1) — Mr. Walker owns a retail store and a garage in Chalan Kanoa with branches in San Roque. In addition, Mr. Walker owns a snack bar in San Vicente and a night club in Garapan. The combined gross revenue of all his sales from the retail stores, garages, snack bar, and the night club would be reported on one return for each of the quarters in the taxable year. The tax is levied on the combined gross revenue.

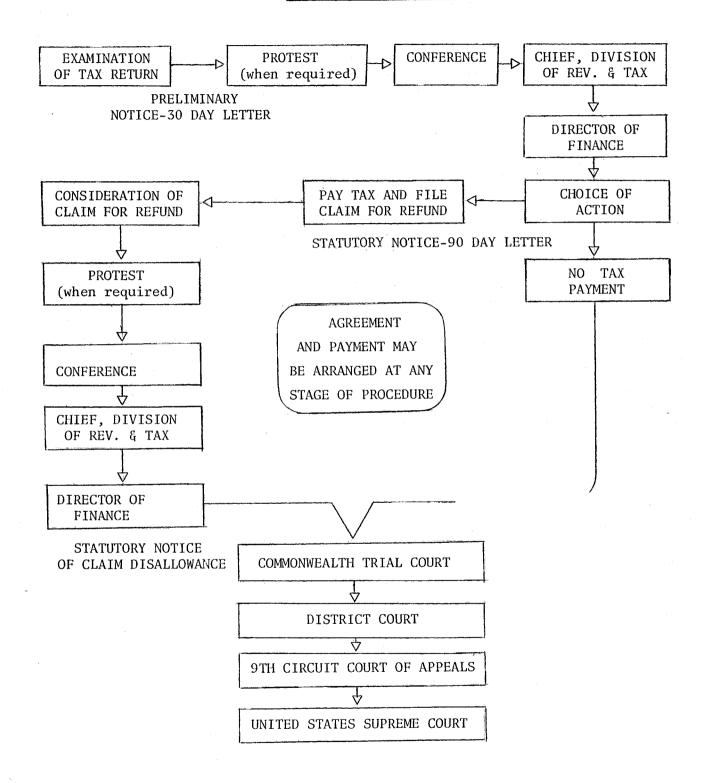
Example (2) — The XYZ Corporation is doing business as Marianas Enterprises. This enterprise is comprised of the following business activities:

Activity	Location	
Finance Company	Chalan Kanoa	
Department Store	Garapan	
Travel Agency	Susupe	
Pizza Parlor	Garapan	
Hardware Store	San Antonio	

The combined gross revenue of the five business activities in various locations is reported on one return for each of the quarters in the taxable year. The tax is computed on the combined gross revenue.

Domestic corporations must also include the gross revenue of their branches and subsidiaries both within and without the Commonwealth in reporting the parent corporation's returns and paying the business gross revenue tax.

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Example (3) — Company ABC is a partnership operating similar business activities to those shown in the preceeding example (2). bined gross revenue of the five activities is reported on one return for each of the quarters in the taxable year, and the tax is imposed on the combined gross revenue.

Section 18. Sections 2.104(u), 2.104(u)(2), and 2.104(u)(3) are repealed in their entirety and a new Section 2.104(u) is added as follows:

"Section 2.104(u). Sources Within the Commonwealth.

(1) 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, as amended, 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, as amended, defines sources within the Commonwealth for certain taxable events. Section 104(u)(1) defines certain wages and salaries as income from sources within the Commonwealth. Section 104(u)(2) defines business gross revenue derived from contract 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.

(2) Wages and Salaries.

- (A) All wages and salaries paid to any employee or other individual are considered income from sources within the Commonwealth if -
- (i) the services performed are for an employer or other person residing in the Commonwealth, and
- (ii) the services are physically performed within the Commonwealth.

- (B) Wages and salaries paid to any employee or other individual for services rendered outside the Commonwealth are considered income from sources within the Commonwealth if -
- (i) the services performed are for an employer or other person residing in the Commonwealth, and
- (ii) the services performed outside the Commonwealth is for an aggregate of not more than 90 working days in the taxable year.
- (C) Wages and salaries paid to any employee or other individual for services rendered within the Commonwealth are considered income from sources within the Commonwealth if -
- (i) the services performed are for an employee or other person residing without the Commonwealth, and either
- (ii) the labor or services performed by an employee or other individual temporarily present in the Commonwealth for a period or periods exceed a total of 90 working days during the taxable year, or
- (iii) the aggregate compensation received by an employee or other individual for labor or services performed in the Commonwealth exceeds \$1,000.
 - Example (1) Ms. Dorothy Mae, a secretary, accompanied Mr. Jason Peter to Saipan on five different occasions in 1983. Both Ms. Mae and Mr. Peter are employees of a food chain business in Hong Kong. Their trips to Saipan were all on business. Ms. Mae was in the Northern Marianas 45 days and received a salary of \$750. Mr. Peter received \$1,500 for the same period.
 - Ms. Mae's income is not considered income from sources within the Commonwealth since her presence in the Northern Marianas is less than 90 days and her salary is less than \$1,000. She is not required to pay the wage and salary tax.

However, Mr. Peter's income is deemed income from sources within the Commonwealth since his salary exceeds the \$1,000 limitation.
Mr. Peter is required to file a tax return and pay the wage and salary tax.

Example (2) — Mr. Carlos Anthony, an employee of a manufacturing company in New York, came to Saipan to gather data necessary to determine the feasibility of assembling toys in the Northern Marianas for export. Mr. Anthony made several trips to the Northern Marianas in 1983 and spent a total of 30 days on Saipan. His annual salary is \$60,000 a year. Mr. Anthony is required to file and pay tax on the \$5,000 which he earned during his 30-day stay in the Commonwealth.

(D) Payments received by any employee or other individual for annual leave, sick leave, administrative leave, holiday work, or any and all other types of compensatory leave, shall be deemed as having been made for services physically performed within the Commonwealth, if such payments are received from an employer or other person residing in the Commonwealth.

(3) Government Contracts.

- (A) For periods before June 1, 1982, the source of income earned by a person, other than an employee or other individual, under any contract to which the person and the Commonwealth Government are parties shall be determined in accordance with Sections 861 through 864 of the United States Internal Revenue Code of 1954.
- (B) For periods after May 31, 1982, any fund received by a person, other than an employee or other individual, under any contract to which the person and the Commonwealth Government are parties is deemed to be from sources within the Commonwealth.
- (C) Tax rates on business gross revenue in effect on the date in which a contract with the Commonwealth Government was let shall be made applicable throughout the duration of the contract or subcontract, except that this paragraph shall not apply to any change made on the original contract or subcontract.

(D) Gross revenue received as a result of changes in an original contract or a subcontract is taxed at prevailing tax rates without consideration to period and duration of the change(s).

(4) Other Contracts

- (A) The source of income for any revenue earned from a contract with a person, other than the Commonwealth Government, is determined by Sections 861(a) and 862(b) of the United States Internal Revenue Code of 1954.
- (B) Gross revenue earned by a person from a contract agreement with another person, other than the Commonwealth Government, is subject to the prevailing rates of the business gross revenue tax. All changes in the business gross revenue tax rates shall be made applicable to such gross revenue. This applies also to changes made in an original contract agreement, as well as subcontracts.

Section 19. A new Section 2,508 is added which reads:

"Section 2.508. Amusement Machines

(a) Licenses

- (1) All amusement machines, including inoperative amusement machines, in the Commonwealth must be licensed before they can be used for commercial purposes.
- (2) Licenses for the commercial operation of amusement machines must be applied for on a form prescribed by the Director of Finance —
- (A) before a new amusement machine is operated, and
- (B) not later than December 31, for all renewals.
- (3) Before a license is issued, all charges and fees relating to amusement machines must be fully paid, including applicable penalty and interest charges.
- (4) An initial license issued for an amusement machine shall be effective from the date of issue until December 31, unless revoked or replaced.
- (5) Renewed licenses for amusement machines shall be effective from January 1 to December 31, unless revoked or replaced.

- (6) All amusement machine licenses shall expire December 31. No amusement machine shall be operated after December 31 until a renewal license was applied for, paid, and issued by the Division of Revenue and Taxation.
- (7) All new and renewed license applications for amusement machines must be accompanied by a listing of machines to be licensed showing the following information:
 - (A) Type of machine to be licensed.
- (B) Serial number of the machine to be licensed.
- (C) The location where the machine is to be used. The location must include the name of the establishment and address (municipal district number and village) of the establishment.
- (D) The license tag issued by Revenue and Taxation. For licenses of new machines, the word "new" must be indicated.
- (8) All amusement license fees shall become due and payable at the time the license application is submitted to the Revenue and Taxation.
- (9) Once an initial license is issued, all subsequent licenses shall be renewals and subject to the full annual license fees.

- (10) The annual license fees may be prorated on a quarterly basis for the initial issuance of licenses for new amusement machines. The annual license fees may also be prorated for the operation of amusement machines which were not in use one year or more after they were registered with the Division of Revenue and Taxation as inoperative machines. The license fee for inoperative machines shall be the annual fee if the machines were inoperative less than one calendar year. All license fees are due and payable pursuant to paragraph (8) of this section.
- (11) A separate license certificate shall be issued for each class of machine showing the serial numbers of machines licensed and the numbers of the license tags issued by the Division of Revenue and Taxation.

(c) License Tag

- (1) Licensed amusement machines must bear a Commonwealth Government license tag on the top right-hand corner of the screen or viewing window or scoreboard; or, for those machines without viewing window, screen or scoreboard, the area designated by a Revenue Officer. Only licensed amusement machines may be operated commercially in the Commonwealth.
- (2) A licensed machine cannot be replaced by another machine which is not licensed.
- (3) Owners and/or operators of amusement machines are responsible to ensure that the license tags are not removed, defaced, or destroyed. Owners and/or operators are also responsible for the expenses of replacing damaged license tags.
- (4) Damaged license tags shall be replaced by the Division of Revenue and Taxation. The operator of the machine shall be required to pay a \$5 retagging fee for each new license tag issued.
- (5) A license tag shall not be removed from one machine to another machine. The owner or operator shall be charged \$100 for each new license tag issued for this purpose.
- (6) The Division of Revenue and Taxation shall have the right to confiscate unlicensed machines and store them at a location it chooses to utilize. Confiscated machines shall remain in the custody of the

Division of Revenue and Taxation until the machines are properly licensed. The annual license fees for confiscated machines shall not be prorated.

- (7) If an unlicensed machine is confiscated, both the owner and the operator shall be liable for the cost of transporting the machine, storage charge of \$5 per day per machine, labor cost, and other charges incurred in the transfer of the machine from the operator/owner's place of business to the storage facility of the Commonwealth Government. These charges must be paid prior to the issuance of a license.
- (8) The Division of Revenue and Taxation shall not be liable for damages arising from the confiscation of unlicensed machines, and including damages occuring during transfer and storage.
- (c) Trademark and Serial Numbers. Effective with the effective date of this amendment, all amusement machines imported into the Commonwealth for commercial use must have a trademark and a serial number. Amusement machines without a trademark and a serial number shall not be issued a license.
- (d) <u>Relocating Amusement Machines</u>. Before an amusement machine is removed from its present location to another business location, the owner/operator of the machine must file a "Notification for Relocation of Amusement Machines" with the Division of Revenue and Taxation. Amusement machines taken away from the operator's place of business does not relieve the operator from the taxes, fees, penalties, interests and other charges unless and until the Division of Revenue and Taxation is officially notified.
- (e) The Division of Revenue and Taxation may revoke an amusement machine license due to nonpayment of the license fees, taxes, penalty, interest, and other fees and charges due and owing the Commonwealth by the owner and/or operator, and/or for noncompliance with these regulations.
- (f) All charges imposed by this section and 4 CMC Section 1504 shall be the liability of any owner or lessee, or any officer, manager, or representative of any owner or lessee, of the amusement device, or any person operating or managing any business at which such amusement machine is offered for patronage.

Section 20. Section 1.818.4 is amended to read as follows:

"Section 1.818.4. <u>Division of Revenue and Taxation</u>. Revenue and Taxation, a division of the Department of Finance, shall administer and enforce all provisions of Public Law 3-11 (except those provisions specifically delegated to the Customs Service and provisions administered and enforced by other government agencies), the United States Internal Revenue Code of 1954, as amended, and its accompanying regulations as made applicable to the Commonwealth of the Northern Mariana Islands pursuant to Section 601 of the Covenant, and these and other regulations delegated to the Division of Revenue and Taxation under the supervision of the Chief of Revenue and Taxation. Revenue and Taxation shall also be responsible for taxpayer assistance, audit of returns and other investigative activities, collection of revenue, execution of liens and levy, claims processing, licensing of amusement machines, and conference activity."

Certified By:

Director of Finance