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NORTHERN MARIANA ISLANDS RETIREMENT FUND



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P.O. BOX 1247 SAIPAN, MP 96950 FAX: (670) 234-9624 PHONE: (670) 234-7228

NOTICE OF PROPOSED AMENDMENTS TO THE MEMBER HOME LOAN PROGRAM REGULATIONS

THE BOARD OF TRUSTEES OF THE NORTHERN MARIANA ISLANDS RETIREMENT FUND HEREBY NOTIFIES THE GENERAL PUBLIC THAT IT HAS AMENDED THE ADOPTED MEMBER HOME LOAN REGULATIONS AS PUBLISHED IN VOLUME 11 NO. 6 COMMONWEALTH REGISTER, ON JUNE 15, 1989.

DATED THIS ICK DAY OF MARCH, 1990.

MICHAEL A. WHITE CHAIRMAN BOARD OF TRUSTEES NMI RETIREMENT FUND

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TOMAS B. ALDAN ADMINISTRATOR NMI RETIREMENT FUND

NORTHERN MARIANA ISLANDS RETIREMENT FUND



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P.O. BOX 1247 SAIPAN, MP 96950 FAX: (670) 234-9624 PHONE: (670) 234-7228

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MAFECHA GI DIA _____ MATSO, 1990.

MICHAEL A WHITE CHAIRMAN BOARD OF TRUSTEES NMI RETIREMENT FUND

TOMAS B/. AL/DAN ADMINISTRATOR NMI RETIREMENT FUND

NORTHERN MARIANA ISLANDS RETIREMENT FUND PROPOSED AMENDMENTS TO THE MEMBER HOME LOAN PROGRAM REGULATIONS

PART I. AUTHORITY

- 1. <u>Authority</u>. Under and by virtue of the authority provided in 1 CMC 8316(f), and the Administrative Procedures Act, 1 CMC 9101, <u>et. seq.</u>, the Board of Trustees hereby promulgates these amendments to the Member Home Loan Regulations.
- PART II. AMENDMENTS

Having been duly adopted by the Board of Trustees, NMI Retirement Fund, the Member Home Loan Regulations are hereby amended as follows:

 Section 3.1(i) is deleted in its entirety and a new Section 3.1(i) is hereby adopted to read as follows:

3.1 (i) "Home improvement" means a <u>major physical</u> addition made to a principal home situated on improved real property, including renovations which, upon completion, will substantially add to the value and life of the property. <u>A</u> <u>home improvement may be an added room, garage, or retaining</u> wall, for example. It does not include remodeling maintenance, repairs, repainting, or replacement of furniture, fixtures, or appliances.

Section 3.1(k) is deleted in its entirety and a new Section 3.1(k) is hereby adopted to read:

(k) "Leasehold conversion loan" means a loan obtained for the purpose of and used solely for the borrower's purchase of the fee simple interest where the borrower's principal home is situated on leasehold land, whether or not the borrower has an existing first leasehold mortgage loan. [Source: 1 CMC 8354(a)(6).]

3. Section 3.1(1) is amended to read:

(1) "Lender" or "Participating lender" means a financial institution or an agency of the government which may by law make loans secured by first or second mortgages on real estate and which participates in the Member Home Loan Program under an agreement with the NMI Retirement Fund. Lender or participating lender includes the NMI Retirement Fund, if the Fund establishes a branch within its organization.

4. Section 3.1(q) is amended to change the referenced subsection 3.1(k) to subsection 3.1(1).

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5. Section 4.1(e) is amended to include the term without recourse, to read as follows:

(e) If the loan and the mortgage securing the loan comply with the regulations, the participating lender shall endorse the note and assign the mortgage and note to the Fund which shall purchase the same from the participating lender without recourse.

6. Section 4.3(a) is amended to read as follows:

(a) An active member holding a permanent position classified under the Civil Service System shall have had at least thirty-six (36) continuous months of contributing membership immediately before certification; and shall have at least 18 continuous immediate months of actual work in the member's position;

7. Section 4.3(b) is amended to read as follows:

(b) An active member holding a position not classified by the Civil Service System, or a position requiring the advice and consent of the Legislature, or an elective position, shall have had at least fifteen (15) years of total service and have been a contributing member of the Fund for at least five (5) years on the date of certification of eligibility; and shall have at least 18 continuous immediate months of actual work in the member's position;

8. Section 4.3(c) is amended to read as follows:

(c) An active member on leave without pay or an active member whose appointment or employment is for a fixed date or limited term, or otherwise temporary in nature, shall not be eligible; provided that a member on authorized educational or child care leave where contributions are made for the member shall be excepted from this subsection;

9. Section 4.4(b) is amended to read as follows:

(b) Full and timely satisfaction of the prior or outstanding loan without default or other credit related problems as reasonably determined by the Fund and participating lender.

- 10. Section 5.1(b) is amended to include the sentence <u>The Board may</u> establish a minimum lot size. at the end of the paragraph.
- 11. Section 5.3 is amended to insert a last sentence which reads: Such a list may include the appraisers approved for listing by FHA.

- 12. Section 6.2(i), second to the last sentence, is amended to change the monthly mortgage payment of the combined stable monthly income of applicant and the guarantor from "thirty percent (30%)" to forty percent (40%).
- 13. Sections 8.1(b) and (c) are amended to read as follows:
 - (b) If the loan is secured by a first mortgage on leasehold property, the fixed rental term of the lease, prepaid or otherwise, shall extend at least two (2) years <u>beyond</u> the stated maturity date of the note, mortgage or other obligation it secures. [Source: 1 CMC 8354(a)(5)(i).].
 - (c) The term of any leasehold conversion loan shall not exceed twenty (20) years.
- 14. Section 10.1(a) is amended to read as follows:

(a) No assumption shall be allowed of any loan.

- 15. Section 10.2 is deleted in its entirety.
- 16. Sections 11.2(a), (b) and (c) are amended to read as follows:

(a) The participating lender shall <u>fully</u> disburse the loan proceeds within <u>four (4) months</u> after the date of certification, or within <u>ten (10)</u> months where new home construction is involved under this program, or within <u>six (6)</u> months where a home improvement is involved under this program or the Fund's approval shall lapse.

(b) The participating lender shall deliver the loan file to the Fund for approval to purchase within \underline{six} (6) months after the date of certification, or within 14 months after the date of certification where new home construction is involved under this program, or within ten (10) months after the date of certification where a home improvement is involved under this program;

(c) The participating lender shall sell the loan to the Fund within <u>one (1)</u> month after the date of the letter of approval to purchase by the Fund;

17. Section 13.1(a) is read as follows:

(a) The Board of Trustees shall set the interest rate for member home loan mortgages. Changes of the interest rate may be made from time to time as the Board deems proper, provided that public notice in a newspaper of general circulation of any such changes shall have been made prior to the effective date of the change. <u>The rate may usually range from 1/2% to 2% below that</u> charged by local banks.

18. Sections 13.2(b)(1) and (2) are amended read as follows:

(b) The lender may require the borrower to pay all reasonable fees and charges ordinarily charged to and paid by a borrower for a loan, except:

(1) For the loan origination fee, the lender may charge \$300 or two percent of the loan amount, whichever is greater;

and for interim construction financing that turns into permanent financing the lender may charge 2%.

- (2) For the inspection fee, the lender may charge <u>\$40 per</u> <u>inspection</u>, but limited to four inspections for construction loans and two inspections for home improvement loans.
- 19. Part 15 is amended to read <u>SANCTIONS AND FORECLOSURE</u> and Part 16 is amended to read <u>RECONSIDERATION</u> OF LOAN APPLICATION.
- 20. Section 15.1(b)(2) is amended to read as follows:
 - 15.1 (b) (2) If the Fund has already purchased the mortgage loan made to the applicant or borrower, such applicant or borrower shall not be eligible for another mortgage loan <u>for 10 years</u>, and the loan already purchased by the Fund shall immediately become due and payable in full, for which the Fund shall demand full payment thereof.
- 21. (c) The request for review and reconsideration shall be in writing, and shall be filed with the Fund within thirty (30) days after receipt of the notice of disapproval, and shall contain a statement of the facts and include copies of all documents upon which the applicant or borrower relies in support of the request for review. The Board may appoint a hearing officer from among its members to conduct such a review.

PART III. EFFECTIVE DATE

The effective date of these proposed amendments shall be pursuant to 1 CMC 9105(b).

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Tomas B. Aldan Administrator NMI Retirement Fund

Michael A. White Chairman, Board of Trustees NMI Retirement Fund

DZ

Date

Date

March 9, 1990

PUBLIC NOTICE

PROPOSED AMENDMENT NO. 100390 REVENUE AND TAXATION REGULATIONS NO. 8301

The Director of Finance, in accordance with 4CMC §1701(c) and §1818, is proposing to promulgate amendments to Revenue and Taxation Regulations No. 8301.

The proposed amendment is to repeal obsolete provisions to Revenue and Taxation Regulations No. 8301, as amended; to provide clarification and guidance with respect to relief from double taxation; to clarify the time and manner of making payments on withholding taxes; and to clarify the penalty and interest provisions on withholding taxes.

The proposed amendments may be inspected at the Division of Revenue and Taxation, Central Office, Capitol Hill, Commonwealth of the Northern Mariana Islands, Saipan, MP 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, MP 96950 not later than thirty (30) days from the date of its publication in the Commonwealth Register.

DATED THIS 12th DAY OF March, 1992.

Issued by:

ELOY S. INOS Director of Finance

Concurred by:

nues I. DE LEON GUERRERO LORENZO Governor

COMMONWEALTH REGISTER

VOLUME 12 NO. 03

MARCH 15, 1990

Marso 9, 1990

NOTISIAN PUBLIKU

MA INTENSIONA NA AMENDASION NO. 100390

REGULASION NUMERO 8301 PARA I RETIDU YAN ADUANA

I Direktot i Finansiat, segun i 4 CMC Seksiona 1701(c) yan i Seksiona 1818, ha introdudusi para u na efektibo amendasion gi areglamento yan regulasion, ya para u ma rekognisa komo Amendasion No. 100390 gi Revenue yan Taxation Regulasion No. 8301.

I ma intensiona na amendasion para u deroga i man tai setbi siha na provision gi Regulasion i Retidu yan Aduana, Numeru 8301, ni ma amenda; para u probeniye klarifikasion yan dinirihi kon respetu para ufan alibia ginen i doble na aduana; para uklarifika i tiempo yan manera ni para man apase nu i ma mantiene na aduana; yan para uklarifika i pena yan interes na provision pot i ma mantiene na aduana.

I ma intensiona na amendasion sina ma rikonosi gi ofisinan i <u>Division i Revenue yan Taxation gi Capitol Hill</u>, <u>Commonwealth i</u> <u>Northern Mariana Islands, Saipan, MP 96950</u>. Este na amendasion ma <u>publika gi Commonwealth Register</u>. Sina manuli hao kopian este na <u>publikasion gi ofisinan i Abogadon i Gobietno</u>.

I Ofisinan i Direktot i Finansiat ma ma-maisen idea, fakto yan nota ginen i publiku, kao mauleg pat ma kokontra este na inintrodusen amendasion gi Regulasion Numero 8301.

Todo man interesao na individuat ni para ufan na halom opinion ni fumabot, osino ma kokontra este na amendasion gi Retidu yan Aduana, Regulasion Numero 8301, man ma-fafaisen na u ma satmite i matugi na opinion niha guato gi Ofisinan i Direktot i Finansiat, <u>Commonwealth</u> i <u>Northern Mariana Islands, Saipan, MP 96950</u>, gi halom 30 dias deste i fecha anai ma publika este na notisia gi Commonwealth Register.

Finechan este na haane i Dia <u>/2</u> de Marso, 1990.

Pineblika:	Konfotme:
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TE 6 Mm	June
ELOY S. INOS	LORENZO I. DE LEON GUERRERO
Direktot i Finansiat	Gobietno

AMENDMENT NO. 100390 REVENUE AND TAXATION REGULATIONS NO. 8301 OFFICE OF THE DIRECTOR OF FINANCE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Section 1. <u>Title</u>. This amendment shall be known as Amendment No. 100390.

Section 2. <u>Purpose</u>. This amendment shall repeal and amend sections of the existing regulations due to changes in Laws and to clarify such changes, to wit: repeal §2.804(b)(1).2, amend §4.1709.1(A)and (C), §4.1818.1 and §4.1818.7.

Section 3. <u>Authority</u>. The Director of Finance in accordance with 4CMC \$1701(c) and \$1818 shall promulgate needful rules and regulations for the enforcement of the Northern Marianas Territorial Income Tax (NMTIT) and all other taxes under Title 4 of the Commonwealth Code.

Section 4. <u>Section Repealed</u>. Section 2.804(b)(1).2 of Revenue and Taxation Regulation No. 8301 is hereby repealed.

Section 5. <u>Amendment</u>. Amendment No. 100390 to Revenue and Taxation Regulations No. 8301 amends Section 4.1709.1(A) and (C); Section 4.1818.1; and Section 4.1818.7. The amended sections read as follows:

Section 4.1709.1 Relief from Double Taxation

(A) The non-refundable credit when applicable under this section relieves the taxpayer from paying the entire amount of income tax from the same income that is taxable under other provisions of the local taxing statute. The taxpayer shall be allowed a non-refundable credit of;

a) the sum of amounts due and payable under:

(i) 4CMC Chapter 2 and/or 3,
(ii) 4CMC §2202(f), and
(iii) Public Law 4-14, whichever are applicable.

b) any non-refundable credit available under paragraph (a) shall be allowed only to the extent of any tax liability imposed on Commonwealth source income under 4CMC Chapter 7 (NMTIT). Any non-refundable credit remaining in excess of the Chapter 7 tax shall be disallowed. By allowing the taxes under paragraph (a) as a non-refundable credit, no deduction of the same taxes shall be allowed under the NMTIT. Example 1. Taxpayer H is expected to have gross income of \$20,000.00 for taxable year 1985 with a total of 4 personal exemptions or allowances, filing a joint return and is on a biweekly payroll schedule. H will be making about \$769.23 biweekly (\$20,000.00/26 pay periods). H's comparative withholding tax is:

	CHAPTER 2 WAGES AND SALARIES	CHAPTER 7 (NMTIT)
BIWEEKLY INCOME WITHHOLDING TAX COMPUTED	\$769.23 38.46	\$769.23 71.00
ACTUAL TAX WITHHELD	38.46	32.54(\$71.00-38.46)
TOTAL WITHHOLDING TAX PER PAY	PERIOD	<u>\$71.00</u>

The actual tax withheld under Chapter 7 of \$32.54 was the result of the Chapter 2 tax applied as a non-refundable credit against the computed Chapter 7 tax of \$71.00 (\$71.00-\$38.46=\$32.54).

H's combined withholding tax on a biweekly basis is \$71.00 (\$38.46 + \$32.54), which in effect equals the greater amount of Chapters 2 or 7 (NMTIT). The employer shall deduct the \$71.00 from H's payroll check. The employer shall classify H's withholding tax for the period as follows:

	PER PAY PERIOD	TAXABLE YEAR END
CHAPTER 2 TAX	\$38.46	\$999.96
CHAPTER 7 TAX	32.54	846.04

Allowing the non-refundable credit under paragraph (a), in effect, relieves the taxpayer of any tax liability imposed on Commonwealth source income under 4CMC Chapter 7 to the extent of any non-refundable credit paid or accrued under paragraph (a) which arises from the same taxable period.

At the close of the taxable year, H prepares his 1040CM and determines the following:

	CHAPTER 2	CHAPTER 7
GROSS INCOME	\$20,000.00	\$20,000.00
LESS: PERSONAL EXEMPTIONS	N/A	(4,000.00)
TAXABLE INCOME	\$20,000.00	\$16,000.00
CALCULATED TAX	1,000.00	1,746.00
LESS: NON-REFUNDABLE CREDIT	N/A	(1,000.00)
BALANCE AFTER NON-REFUNDABLE CREDIT	N/A	746.00
TAX WITHHELD (W-2)	1,000.00	846.00
BALANCE DUE/REFUND	-0-	(100.00)
AMOUNT SUBJECT TO REBATE (746x95%)	N/A	(708.70)
AMOUNT OF TAX DUE/REFUND/REBATE	-0-	(808.70)
NET AMOUNT OF TAX DUE (OR OVERPAYMENT))	(\$808.70)

Example 2. The same with Example 1 (Taxpayer J) but with a total of 14 allowances or personal exemptions.

CHAPTER 2 CHAPTER 7

BIWEEKLY	\$769.23	\$769.23
WITHHOLDING TAX COMPUTED	38.46	11.31
ACTUAL TAX WITHHELD	38.46	-0-(\$11.31-\$38.46=-27.15)=0
TOTAL WITHHOLDING TAX PER	PAY PERIOD	\$38.46

J's withholding tax on a biweekly basis is \$38.46 which is the tax under Chapter 2. The non-refundable credit (\$38.46), when applied to the Chapter 7 (NMTIT) Tax, completely provides for the required Chapter 7 tax withholding. The excessive non-refundable credit of \$27.15 is disallowed.

Year End Tax Calculations:

	<u>Chapter 2</u>	<u>Chapter 7</u>
GROSS INCOME	\$20,000.00	\$20,000.00
LESS: PERSONAL EXEMPTIONS	N/A	14,000.00
TAXABLE INCOME	\$20,000.00	6,000.00
CALCULATED TAX	1,000.00	294.00
NON-REFUNDABLE CREDIT	N/A	(1,000.00)
BALANCE AFTER NON-REFUNDABLE CREDIT	-0-	-0-
TAX WITHHELD (W-2)	1,000.00	-0-
BALANCE DUE/REFUND	-0-	-0-
AMOUNT SUBJECT TO REBATE(0x95%)	N/A	-0-
AMOUNT OF TAX DUE/REFUND/REBATE	-0-	-0-
NET AMOUNT OF TAX DUE (OR OVERPAYME	ENT)	-0-
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(C) For purposes of paying estimated tax, calendar year taxpayers and fiscal year taxpayers whose fiscal year begins during the first day of any calendar quarter shall determine their estimated tax liability and pay any tax due:

(a) by applying the relief from double taxation under paragraphs (a) and (b) of Subsection (A) and pay any tax due by the due date as specified in (b) below.

(c) all other fiscal year taxpayers which do not fall with the calendar quarter shall report and pay tax base on example 2 on §4.1703.1(B).

Section 4.1818.1 Withholding Tax Payment Deposit (Form 500)

(A) Every employer required to withold tax on compensation under the provisions of Treas. Regs. §31.3402 and Section 2.804(a) of these Regulations, must make a deposit of the taxes withheld as provided for under (a), (b) and (c) below. These deposits shall be made to the Division of Revenue and Taxation or its satellite office located at Civic Center in Susupe, or the Tinian and Rota District Offices. Payment Deposit Form 500 shall be used when paying taxes for both 4CMC Chapter 2 (wages and salaries tax), and 4CMC Chapter 7 (NMTIT).

(a) If the cumulative amount of withholding tax equals or exceeds \$3,000.00, the withholding tax shall be deposited within 3 working days after the accumulated amount reaches \$3,000.00 or more. However, if the \$3,000.00 in cumulative withholding taxes were met as a result of overlaping into the first month of the succeeding quarter, a separate deposit Form 500 must be made which segregates taxes withheld up to the end of the last month of the quarter. The balance of the withheld taxes must be deposited at the same time, and shall be credited to the succeeding quarter's return.

Example 1: Taxpayer R has 150 employees, each of whom has \$20.00 in withholding taxes on a biweekly payroll period.

First payroll in a month - 150 employees X \$20.00, withholding tax =\$3,000.00 Second payroll in a month - 150 employees X \$20.00, withholding tax =\$3,000.00 Total withholding tax for the first calendar month in a quarter =\$6,000.00

Third payroll in a month - 150 employees X \$20.00, withholding tax =\$3,000.00Fourth payroll in a month - 150 employees X\$ 20.00, withholding tax =\$3,000.00Total withholding tax for the second calendar month in a quarter = \$6,000.00

Fifth payroll in a month - 150 employees X \$20.00, withholding tax =\$3,000.00 Sixth payroll in a month - 150 employees X \$20.00, withholding tax =\$3,000.00 Total withholding tax for the third calendar month in a quarter = \$6,000.00

Since the withholding tax in the first payroll period equals \$3,000.00, Taxpayer R must make a deposit withhin 3 working days after the first payday and 3 working days after each payday for all subsequent paydays.

(b) If the cumulative withholding taxes are less than \$3,000.00, but at least \$500.00 at the end of any given month, the taxes must be deposited within fifteen days after the end of the month in which the taxes were withheld. The deposits for the first and second months of the quarter shall be made on or before the fifteenth day, after the end of the month in which the taxes were withheld. The deposit for the third month may be paid with Form OS-3705, Employers Quarterly Tax Return, and the payment shall be made on or before the last day of the date specified below:

FIRST QUARTER	APRIL 30
SECOND QUARTER	JULY 31
THIRD QUARTER	OCTOBER 31
FOURTH QUARTER	JANUARY 31

Example 2: Taxpayer P has 10 employees, each of whom has \$50.00 in withholding taxes for each month of the first quarter.

First calendar month -January -10 employees X \$50.00, withholding =\$500.00. Second calendar month -February -10 employees X \$50.00, withholding =\$500.00. Third calendar month -March -10 employees X \$50.00, withholding =\$500.00 Total withholding for the quarter =\$1,500.00

Since the monthly withholding equals \$500.00, Taxpayer P must make a monthly deposit. The deposit for the first calendar month, January, must be made in the amount of \$500.00 on or before February 15. The deposit for the second calendar month, February, must be made in the amount of \$500.00 on or before March 15. The deposit for the third calendar month, March, may be paid with Form OS-3705 on or before April 30.

Example 3: Taxpayer Q has 5 employees, each of whom has \$20.00 in withholding taxes in the first calendar month of the quarter. In the second month of the quarter Taxpayer Q hires 20 additional employees, each of whom has \$20.00 in withholding taxes.

First calendar month - 5 employees X \$20.00, withholding =\$100.00. Second calendar month - 25 employees X \$20.00, withholding =\$500.00. Third calendar month - 25 employees X \$20.00, withholding =\$500.00. Total withholding tax for the quarter = \$1,100.00

Taxpayer Q does not have to make a deposit on the first calendar month, since the withholding tax is less than \$500.00, but for the second month Taxpayer Q must make a deposit of a total of \$600.00, covering withholding for the first and second months. Taxpayer Q may pay the \$500.00 withholding tax for the third month on Form OS-3705, Employers Quarterly Tax Return and the return is due on the quarterly deadline.

(c) If the cumulative amount of withholding taxes are less than \$500.00 at the end of any calendar month, the employer is not required to make a monthly deposit. The employer may pay the taxes with Form OS-3705, Employers Quarterly Tax Return. The payment shall be made on or before the date specified below:

FIRST QUARTER	APRIL 30
SECOND QUARTER	JULY 31
THIRD QUARTER	OCTOBER 31
FOURTH QUARTER	JANUARY 31

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Example 4: Taxpayer L has 15 employees, each of whom has \$10.00 in withholding taxes. First calendar month -15 employees X \$10.00, withholding =\$150.00. Second calendar month -15 employees X \$10.00, withholding =\$150.00. Third calendar month -15 employees X \$10.00, withholding =\$150.00. Total withholding for three calendar months in a quarter =\$450.00.

Taxpayer L does not have to make monthly deposits since the monthly withholding is less than \$500.00. Taxpayer L may pay the taxes withheld on Form OS-3705 on the quarterly deadline.

(B) Individuals whose employers are located outside of the Commonwealth, or are required to file and pay estimated tax, may make monthly deposits on Form 500 as provided under Section 4.1709.1(C) of this regulation.

Section 4.1818.7. Application of Penalty and Interest

For purposes of the penalty and interest charges for late filing and/or payment of taxes imposed under Treas. Regs. \$31.3402 (Chapter 7) and Section 2.804(a) (Chapter 2) of these Regulations, the penalty for Chapters 7 and/or 2 shall each be governed by their respective penalty and interest provision.

Certified by: ELOY S. INOS

Director of Finance

Concurred by: I. DE LEON GUERRERO LORENZO Governor

<u>3/12/90</u>

3/12/90

ADOPTED RULES OF PROFESSIONAL CONDUCT

FOR

ENGINEERS, ARCHITECTS, LAND SURVEYORS AND LANDSCAPE ARCHITECTS

Having received no comments, the Board of Professional Licensing hereby adopts the proposed Rules of Professional Conduct for Engineer, Architects, Land Surveyors and Landscape Architects as published in the Commonwealth Register October 15, 1989. The Rules are adopted pursuant to P.L. 1-8 (4 CMC, Division 3, Subsection 3108). The Rules of Professional Conduct shall be binding on all persons, partnerships, corporations, associations and joint ventures providing or advertising engineering, architectural, land surveying and landscape architectural services within the jurisdiction of the Commonwealth of the Northern Mariana Islands.

In accordance with 1 CMC, Division 9, Subsection 9105(b), these Rules shall take effect within ten (10) days of this public notice.

FEBRUAR Date

- Hen Qu

Richard N. Cody, AIA Chairman, Board of Professional Licensing

NUTISIAN PUPBLIKU

I MANMA'ADAPTA SIHA NA AREKLAMENTON KONDUKTAN PROFESIONAT

PARA I

ENGINEERS, ARCHITECTS, GRAMINSOT TANO' YAN LANDSCAPE ARCHITECTS

PUT I TAYA' MARISIBI REKOMENDASION OSINO' KOMENTO SIHA PUT I MANMAPROPONI NA AREKLAMENTON KONDUKTAN PROFESIONAT PARA I ENGINEERS, ARCHITECTS, GRAMINSOT TANO' YAN LANDSCAPE ARCHITECTS NI MANMAPUPBLIKA GI HALOM I REHISTRAN COMMONWEALTH GI OKTOBRE 15, 1989, I BOARD OF LICENSING GINEN ESTE NA NUTISIA HA ADAPTA AYU SIHA I MANMAPROPONI NA AREKLAMENTON KONDUKTAN PROFESIONAT SIGON GI LAI PUPBLIKU NUMIRU 1-8, (4 CMC, DIBISION 3, PAPA' SEKSIONA 3108). I AREKLAMENTON KONDUKTAN PROFESIONAT SIHA PARA U AFEKTA TODU PETSONA, KOMPANERU, KOTPORASION, ASOSIASION YAN TRINIBEN KOMPANERU SIHA NI MANMAMPRIBEBINI PAT MANMANOLISISITA KONTRATA PUT SETBESION <u>ENGINEER, ARCHITECTURAL</u> LAND SURVEYOR YAN LANDSCAPE ARCHITECTURAL GI HALOM I HUSTISIAN I COMMONWEALTH I SANGKATTAN NA ISLAS MARIANA.

SIGON GI 1 CMC, DIBISION 9, PAPA' SEKSIONA 9105(b), ESTE SIHA NA AREKLAMENTO PARA U FANEFEKTIBU GI HALOM DIES (10) DIAS DESPUES DI MAPUPBLIKA ESTE NA NUTISIAN PUPBLIKU.

FECHA

Rchard N. Cody, AIA Chairman, Board of Professional Licensing

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PROPOSED RULES OF PROFESSIONAL CONDUCT FOR ENGINEERS, ARCHITECTS, LAND SURVEYORS AND LANDSCAPE ARCHITECTS

The Board of Professional Licensing pursuant to 1 CMC 9104 (a), hereby gives notice to the public of its intention to adopt proposed rules of professional conduct for engineers, architects, land surveyors and landscape architects. Contents of the rules are the following:

- 1. Competence
- 2. Conflict of Interest
- 3. Full Disclosure
- 4. Compliance with Laws
- 5. Professional Conduct

The public may submit written comments and/or recommendations regarding the proposed rules of professional conduct for engineers, architects, land surveyors and landscape architects during the thirty (30) day period following this date of publication in the Commonwealth Register. Such comments and/or recommendations should be sent to the Chairman of the Board of Professional Licensing as follows:

Chairman Board of Professional Licensing P.O. Box 449 CHRB Saipan, MP 96950

Dated this $/\mathcal{O}$ day of October, 1989.

RICHARD N. CODY, A.I.A

Chairman

inn

EFRAIN F. CAMACHO, P.E. Secretary

COMMONWEALTH REGISTER

VOLUME 12 NO. 03 MARCH 15, 1990

REGULASION SIHA NI MA PROPOPONE PARA I PROFESSIONAT NA AREKLAMENTO PARA ENGINEERS, ARCHITECTS, LAND SURVEYORS YAN LANDSCAPE ARCHITECTS

I Board of Professional Licensing, sigun i 1 CMC 9104 (a), ha notiticia i publico nu i intensionna para hu adopta i mapropopone na regulasion siha para i professionat na areklamento para engineers, architects, land surveyors yan landscape architects. I regulasion siha para hu embrasa:

- 1. Capasidat
- 2. Interes siha ni ti debe
- 3. Ma publican i interes
- 4. Ma kumplea i lai
- 5. Professionat na areklamento

I publico sina ma submitte hinason niha yan osino recommendasion niha pot i mapropopone na regulasion siha para i professionat na engineers, architects, land surveyors yan landscape architects gi halom trenta (30) dias despues de este na noticia ma publica gi Commonwealth Register. I hinaso osino recommendasion debe de umanahanao guato para i Chairman i Board of Professional Licensing como:

Chairman Board of Professional Licensing P.O. Box 449 CHRB Saipan, MP 96950

Ma fitma gi dia <u>10</u> de Octobre, 1989.

RICHARD N. CODY, A.1 Chairman EFRAIN F. CAMACHO, Secretary

for

ENGINEERS, ARCHITECTS, LAND SURVEYORS AND LANDSCAPE ARCHITECTS

PREAMBLE

In order to safeguard life, health and property, to promote the public welfare, and to establish and maintain a high standard of integrity and practice, the following Rules of Professional Conduct shall be binding on every individual holding a certificate of registration and on all partnerships, associations, corporations, or joint ventures holding certificates of authorization and on all temporary permit holders authorized to offer or perform engineering, architecture, land surveying or landscape architecture in the Commonwealth of the Northern Mariana Islands.

These Rules of Professional Conduct promulgated herein are an exercise of the police power vested in the Board of Professional Licensing by virtue of the acts of the Commonwealth Legislature.

All persons, corporations and temporary permit holders registered under Public Law 4-53 are charged with having knowledge of the existence of these Rules or Professional Conduct, and shall be deemed to be familiar with their provisions and to understand them. Such knowledge shall encompass the understanding that the practice of engineering, architecture, land surveying and landscape architecture is a privilege granted by the Commonwealth government, as opposed to a right.

PART 1 COMPETENCE

- 1.1 In the practice of engineering, architecture, land surveying and landscape architecture a sole practitioner, partnership, association, corporation or joint venture shall act with reasonable care and competence, and shall apply the technical knowledge and skill which is ordinarily applied by registered Engineers, Architects, Land Surveyors and Landscape Architects of good standing, practicing in the same locality.
- 1.2 In designing a project, an Engineer, Architect or Landscape Architect shall take into account all applicable federal, Commonwealth and municipal building laws and regulations. While the Engineer, Architect or Landscape Architect may rely on the advice or other professionals (e.g., attorneys, engineers, and other qualified persons) as to the intent and meaning of such laws and regulations, once having obtained such advice, an Engineer, Architect or Landscape Architect shall not knowingly design a project in violation of such laws and regulations.

- 1.3 An Engineer, Architect or Landscape Architect shall undertake to perform professional services only when he or she, together with those whom the Engineer, Architect, or Landscape Architect may engage as consultants, are qualified by education, training and experience in the specific technical areas involved.
- 1.4 No person shall be permitted to practice engineering, architecture, land surveying or landscape architecture if, in the Board's judgment, such person's professional competence is substantially impaired by physical or mental disabilities.

PART 2 CONFLICT OF INTEREST

- 2.1 An Engineer, Architect, Land Surveyor or Landscape Architect shall not accept compensation for his or her services from more than one party on a project unless the circumstances are fully disclosed to and agreed to by all interested parties.
- 2.2 An Engineer, Architect or Land Surveyor shall not solicit or accept compensation from material or equipment suppliers in return for specifying or endorsing their products.
- 2.3 When acting as the interpreter of construction contract documents and the judge of contract performance, an Engineer, Architect or Landscape Architect shall render decisions impartially, favoring neither party to the contract.

PART 3 FULL DISCLOSURE

- 3.1 An Engineer, Architect, Land Surveyor or Landscape Architect, making public statements on engineering, architectural, land surveying or landscape architectural questions, shall disclose when he or she is being compensated for making such statements.
- 3.2 An Engineer, Architect, Land Surveyor or Landscape Architect shall accurately represent to a prospective or existing client or employer his or her qualifications and the scope of his or her responsibility in connection with work for which he or she is claiming credit.
- 3.3 If, in the course of his or her work on a project, an Engineer, Architect, Land Surveyor or Landscape Architect becomes aware of a decision taken by his or her employer or client, against the Engineer's, Architect's, Land Surveyor's or Landscape Architect's advice, which violates applicable federal, Commonwealth or municipal building laws and regulations and which will, in the Engineer's, Architect's, Land Surveyor's or Landscape Architect's judgement, materially affect adversely the safety to the public of the finished project, the Engineer, Architect, Land Surveyor, or Landscape Architect shall,

- (A) report the decision to the Building Official or other public official charged with enforcement of the applicable federal, Commonwealth or municipal building laws and regulations,
- (B) refuse to consent to the decision, and
- (C) in circumstances where the Engineer, Architect, Land Surveyor or Landscape Architect reasonable believes that other such decisions will be taken notwithstanding his objection, terminate his services with reference to the project.

In the case of a termination in accordance with clause (C), the Engineer, Architect, Land Surveyor or Landscape Architect shall have no liability to his or her client or employer on account of such termination.

- 3.4 An Engineer, Architect, Land Surveyor or Landscape Architect shall not deliberately make a materially false statement or fail deliberately to disclose a material fact requested in connection with his or her application for registration or renewal.
- 3.5 An Engineer, Architect, Land Surveyor or Landscape Architect shall not assist the application for registration of a person known by the Engineer, Architect, Land Surveyor or Landscape Architect to be unqualified in respect to education, training, experience or character.
- 3.6 An Engineer, Architect, Land Surveyor or Landscape Architect possessing knowledge of a violation of these Rules by another Engineer, Architect, Land Surveyor or Landscape Architect shall report such knowledge to the Board.

PART IV COMPLIANCE WITH LAWS

- 4.1 An Engineer, Architect, Land Surveyor or Landscape Architect shall not, in the conduct of his or her practice, knowingly violate any federal or Commonwealth criminal law.
- 4.2 An Engineer, Architect, Land Surveyor or Landscape Architect shall neither offer nor make any payment or gift to a government official, whether elected or appointed, with the intent of influencing the official's judgment in connection with a prospective or existing project in which the Engineer, Architect, Land Surveyor or Landscape Architect is interested.
- 4.3 An Engineer, Architect, Land Surveyor or Landscape Architect shall comply with the registration Laws and Regulations governing his or her professional practice in the Commonwealth.

PART V PROFESSIONAL CONDUCT

COMMONWEALTH REGISTER VOLUME 12 NO. 03 MARCH 15, 1990

- Each office maintained for the preparation of drawings, 5.1 specifications, reports, or other professional work shall have a resident registered Engineer, Architect, Land Surveyor or Landscape Architect, as the case may be, regularly employed in that office having direct knowledge and supervisory control of such work.
- 5.2 An Engineer, Architect, Land Surveyor or Landscape Architect shall not sign or seal drawings, specification, reports or other professional work for which he or she does not have direct professional knowledge and direct supervisory control; provided, however, that in the case of the portions of such professional work prepared by the Engineer's, Architect's or Landscape Architect's consultants, registered under the professional registration Laws of the Commonwealth, the Engineer, Architect or Landscape Architect may sign or seal that portion of the professional work if the Engineer, Architect or Landscape Architect has reviewed such portion, has coordinated its preparation, and intends to be responsible for its adequacy.
- 5.3 An Engineer, Architect, Land Surveyor or Landscape Architect shall neither offer nor make any gifts, other than gifts of nominal value, including, for example, reasonable entertainment and hospitality, with the intent of influencing the judgment of an existing or prospective client in connection with a project in which the Engineer, Architect, Land Surveyor or Landscape Architect is interested.
- An Engineer, Architect, Land Surveyor or Landscape Architect shall not engage in conduct involving fraud or 5.4 wanton disregard of the rights of others.



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

FOR OFFICIAL USE CABLE ADDRESS GOV. NMI SAIPAN *REPLY TO:* DIR., C & CA DEPT. or ACTIVITY

PUBLIC NOTICE

ADOPTION OF REGULATIONS LOW INCOME FAMILY ENERGY ASSISTANCE PROGRAM PUBLIC LAW NO. 6-19

The Department of Community and Cultural Affairs of the Commonwealth of the Northern Mariana Islands hereby notifies the general public of the adoption of the regulations for the Low Income Family Energy Assistance Program published in the Commonwealth Register Volume 11, No.11, November 15, 1989.

These regulations provide for the program description, income guidelines, documentation requirements, verification procedures, eligibility determination, fair hearing procedures, monthly benefits and fraud disqualification.

Copies of the regulations are available at the office of the Department of Community and Cultural Affairs Lower, Base, Saipan, MP 96950.

In accordance with 1 CMC §9105 (b), these regulations shall take effect 10 days after the publication of this notice.

Dated this <u>AB</u> day of March, 1990.

Difector / Department of Community and Cultural Affairs



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

FOR OFFICIAL USE CABLE ADDRESS GOV. NMI SAIPAN *REPLY TO:* DIR., C & CA DEPT. or ACTIVITY

NUTISIAN PUPBLIKU

MA'ADAPTAN REGULASION SIHA PUT I LOW INCOME FAMILY ENERGY ASSISTANCE PROGRAM LAI PUPBLIKU NUMIRU 6-19

I Depattamenton Komunidat yan Kuttura gi Commonwealth of the Northern Mariana Islands ginen este ha nutitisia i pupbliku hinerat put i entension-na umadapta i regulasion siha para i Low Income Family Energy Assistance Program sino'ayu i programan inasisten kandet para familia siha ni manakpapa' sueddon-niha ni ma'emprenta gi halom i Rehistran Commonwealth, Baluma 11, Numiru 11, gi Nubiembre 15, 1990.

Este siha na regulasion ha prubeniniyi na u mana'guahā deskripsion put i programa, areklamento put suedon i aplikante, i manisisita siha na dokumento, nabera para mamberifikan emfotmasion, dinitetminasion hayi elihipble, manera para husto no inekkungok, put mes siha na benefisio, yan diniskualifikasion put mandagi.

Kopian este siha na regulasion gauha yan siña manmachule' gi Ufisinan i Depattamenton Komunidat yan Kuttura giya Lower Base, Saipan, MP 96950.

Komo konsiste yan i l CMC Papa' Sekion 9105 (b), este siha gi regulasion u fanifektibu dies (10) dias despues di fecha gi mapupblika este na nutisia.

Mafecha gi este i mina' _____ na ha'ani gi Matso, 1990.

Difector / Department of Community and Cultural Affairs



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

FOR OFFICIAL USE CABLE ADDRESS GOV. NMI SAIPAN REPLY TO: DIR., C & CA DEPT. or ACTIVITY

ARONGORONG NGALIIR ARAMAS TOWLAP

FFEERUL ALLEGH REEL PROGROMAAL ALILLISIL ENERGY NGALIIR ARAMAS KKA E GHIKKIT ABWOSSUUR (LOW INCOME FAMILY ENERGY ASSISTANCE PROGRAM) ALLEGHUL TOWLAP YE NO. 6-19

Dipattamentool Community me Cultural Affairs mellol Commonwealth of the Northern Mariana Islands, ekke arongaar aramas towlap reel ffeerul mwoghutughutul Allegh ngaliir Low Income Family Energy Assistance Program, iye toowow mellol Commonwealth Register Volume 11, No. 11, Nobembre 15, 1989.

Mwoghutughutul allegh kkaal nge ebwe abwaari efaisul mwoghutughutul progrooma, <u>income guidelines</u>, mwoghutughutul ffeer me tingor, ffeerul alughulugh, aighuughul <u>eligibility</u>, mwoghutughutul aweewe ppagh, llapal selaapi ye re ghal risiibili llol eew maram, me <u>fraud disqualification</u>.

Eyoor kkoopiyal allegh mellol Bwulasiyool Community and Cultural Affairs, Lower Base, Saipan, MP 96950.

Reel rebwe tabweey ayileewal ffeer ye 1 CMC \$9105 (b), nge, allegh kkaal ebwe alegheleghelo 1101 seigh (10) ral sangi igha e toowow arongorong yeel.

E ffeer 1101 raalil ye ______ Motso, 1990.

Department of Community and Cultural Affairs

NOTICE OF INTENT TO ADOPT PROPOSED PERMANENT REGULATION

Pursuant to 4 CMC 1811 and 1818, the Director of Finance has the authority, with the concurrence of the Governor, to promulgate regulations concerning the assessment and collection of taxes, and the enforcement of taxes through the use of tax liens and levies upon property. The Director herewith gives notice of his intention to permanently amend CNMI Revenue and Taxation Regulation No. 8301, to wit: Section 2.811.1, entitled "Lien and Levy Procedure", and Section 4.810.0, entitled "Assessments". The purposes of the amendments are to (a) clarify and establish the legal effect of tax liens and the powers, remedies and procedures of the Director with respect to levy and collection of taxes; and (b) to clarify and establish the powers of the Director with respect to the assessments of taxes, penalties and interest imposed under 4 CMC, Division I, including the assessment of tax arising from adjustments made to the Northern Marianas Territorial Income Tax rebate. Copies of the complete text of these amendments to Revenue and Taxation Regulation No. 8301 can be obtained during regular business hours from the Director of Finance, Capitol Hill, Saipan, Comments by the public on this proposed amended MP 96950. regulation may be made within the next 30 days to the Director of This permanent amendment to Revenue and Taxation Finance. Regulation No. 8301 will become effective 10 days after notice of its adoption is published in the Commonwealth Register.

DATED THIS /2th DAY OF March , 1990.

Proposed:

DIRECTOR OF FINANCE Registrar of Corporations

Concur:

LORENZO I. DE LEON GUERRERO Governor

NOTISIAN I INTENSION PARA U MA ADOPTA I MA PLANEA NA REGULASION NU I PETMANIENTE

Segun gi Titulu 4 Seksiona 1811 yan Seksiona 1818, gi Kodikun i Commonwealth, i Direktot i Finansiat, ginen i kenenfotman i Gobietno, para u deklara publikamente i regulasion siha pot i matasa-na yan marekohe-na i aduana siha, yan i metgot na aplikasion i aduana siha ginen i ma usan i tax liens (ma tasan i propriedat, tano, pat petsonat, para apas dibin aduana) yan levies (ma rekohen i ma tasa na kantida) gi propriedat. I direktot man nae notisia guine pot i intension-na para u amenda permanente i Retidu yan Aduana na Regulasion Numero 8301 gi CNMI, ya u ma sangan: Seksiona 2.811.1, ni ma designa "Lien and Levy Procedure", yan Seksiona 4.810.0, ni ma designa "Assessments". I propositun i amendasion siha para (a) u klarifika yan u establesi i fundamenton i lai pot <u>tax liens</u> yan i fuetsa, remedio yan areglamentun i Direktot kon respetu pot i <u>levy</u> yan i koleksion i aduana siha; yan (b) para u klarifika yan u establesi siha i fuetsa-na i Direktot kon respetu pot i ma tasa-na i aduana, pena yan interes nu i ma establesi gi papa i 4 CMC, Dibision I, inklusu i matasa-na i aduana segun i ma ahustan-na gi Northern Marianas Territorial Income Tax rebate. Kopian i komplidu na amendasion i Regulasion i Retidu yan Aduana, Numero 8301, sina ma chuli duranten i regulat na oran chocho gi Ofisinan i Direktot i Finansiat, <u>Capitol Hill, Saipan, MP 96950</u>. I opinion i publiku nu este i ma intensiona pot i ma amendan i regulasion, sina ma sabmite gi halom 30 dias guato gi Direktot i Finansiat. Este i petmanente na amendasion i Regulasion i Retidu yan Aduana, Numero 8301, u efektibu 10 dias despues de ma publika i notisian i ma adoptan-na gi Commonwealth Register.

FINECHAN ESTE NA HAANE I DIA 12 de Marso, 1990.

Pineblika: ELOY S. INOS

Direktot i Finansiat

Konfotme:

Inne LORENZO I. DE LEON GUERRERO

Gobietno

AMENDMENT TO CNMI REVENUE & TAXATION REGULATION NO. 8301

Section 4.810.0 Assessments.

<u>In General</u>. The Director of Finance or his delegate, the (a) Chief of Revenue and Taxation, is authorized to make the inquiries, determinations and assessments of all taxes (including interest, additional amounts, additions to tax and penalties) imposed by 4 CMC, Division I. The Director shall assess all taxes determined by the taxpayer or by the Director as to which returns, schedules or lists are required to be made. Assessments shall be made by recording the liability of the taxpayer in the office of the Director. The Director may, at any time within such periods as may be prescribed for assessments, make such supplemental or additional assessments whenever it is ascertained that any assessment is imperfect or incomplete. For purposes of the Northern Marianas Territorial Income Tax ("NMTIT"), 4 CMC, Division I, Chapter 7, and subject to the procedure provided herein for adjustment of a taxpayer's NMTIT rebate (4 CMC 1708), assessments of the NMTIT shall be made in accordance with applicable provisions of the Internal Revenue Code and the Regulations thereunder. Assessments of all other taxes imposed by 4 CMC, Division I, including assessments arising from adjustments of a taxpayer's NMTIT rebate (4 CMC 1708), shall be made in accordance Chapter 8, Division I of 4 CMC and in accordance with this section of the CNMI Revenue and Taxation Regulations; provided, however, that assessment and collection of the CNMI excise tax, 4 CMC, Division I, Chapter 4, shall follow the excise and customs procedure set forth in Part III of the CNMI Revenue and Taxation Regulations unless the Director, or his delegate, the Chief of Customs, elects to apply this Section 4.810.0 of the Revenue and Taxation Regulations.

(b) Director's Assessment: No Return Filed. Upon the failure of any person, business or employer, hereinafter referred to as the taxpayer, to make and file a return, schedule or list required under 4 CMC, Division I, excluding Chapters 4 & 7 thereof, within the time and in the manner and form prescribed, or upon failure to pay any amount due, the Director may notify the taxpayer of such failure and demand that a return be made and filed and that the tax and any penalties and interest due be paid. If such taxpayer, upon notice and demand by the Director, fails or refuses within 30 days after receipt of the notice and demand to make and file a return in the manner requested by the Director and to pay the tax and any penalties and interest that may be due, the Director may make a return for such person, business or employer from any information and records obtainable, and may assess the appropriate amount of tax, interest and penalties. Such assessment shall be presumed to be correct unless and until it is proved incorrect by the taxpayer disputing the assessment.

(c) <u>Director's Assessment: Erroneous Return Filed</u>. In the event any person, business or employer, hereinafter referred to as

the taxpayer, makes and files a return, schedule or list required under 4 CMC, Division I, including a return, schedule or list relating to the NMTIT rebate (4 CMC 1708), and the Director determines that said return, schedule, or list is untrue, erroneous, incomplete or incorrect in any respect, or does not otherwise conform to law, the Director may notify the taxpayer and demand that an amended return be made and filed in the manner requested by the Director, and that any tax, interest and penalties that may be due be paid. If the taxpayer, upon notice and demand made by the Director, fails or refuses to make and file an amended return as requested by the Director within 30 days after said notice and demand has been mailed to the taxpayer at the taxpayer's last known address, or within 30 days after said notice has been otherwise caused to be delivered to the taxpayer, the Director may amend the return of the taxpayer based on any information and records available to the Director, and the Director may assess the appropriate amount of tax, interest and penalties due. Such assessment shall be presumed to be correct unless and until it is proved incorrect by the taxpayer disputing the assessment.

(d) <u>Emergency Assessments</u>.

(1) In the event the Director believes that the assessment and collection of the taxes subject to this section will be jeopardized by delay, or will be wholly or partially ineffectual unless done without delay, because the taxpayer is or appears to be designing quickly to depart from the CNMI or to conceal himself therein, or the taxpayer is or appears to be designing to quickly place his property beyond the reach of the CNMI Government either by removing it from the CNMI, by concealing it, by dissipating it, or by transferring it to other persons (including in the case of a corporation distributing all or part of its assets in liquidation or otherwise), or the taxpayer's financial solvency is or appears to be imperiled, or the taxpayer designs to do any other act which would tend to prejudice the assessment and collection of the tax subject to this section, the Director shall immediately make a determination of the tax due for the taxable periods in question, even if the time for filing a return, schedule or list for the said taxable periods has not yet come due, and notwithstanding subsections (b) or (c), such amounts shall become immediately due and The Director shall immediately assess the amounts of the owing. tax so determined (together with interest, additional amounts, additions to tax and penalties) and shall immediately cause notice of such determination and assessment to be mailed to the taxpayer at the taxpayer's last known address, or shall otherwise cause the notice to be delivered to the taxpayer, together with demand for immediate payment thereof.

(2) Any assessments made under this subsection shall be presumed to be correct unless and until they are proved incorrect by the person disputing the assessment.

Mathematical or Clerical Error. If a taxpayer is (e) notified that, on account of a mathematical or clerical error appearing on the taxpayer's return, an amount of tax in excess of that shown on the return is due, and that an assessment of the tax has been or will be made on the basis of what would have been the correct amount of tax but for the mathematical or clerical error, such notice shall not in the first instance be subject to subsections (b) or (c). Each notice to a taxpayer under this subsection shall set forth the error alleged and an explanation thereof. If within 30 days after notice is given the taxpayer files with the Director a request for abatement of the assessment specified in the notice, the Director shall abate such assessment upon receipt of the request. Any reassessment of the tax with respect to which the abatement was made shall thereafter be subject to subsection (b), (c) or (d).

Administrative Review: If within the 30 day period (f) referred to in subsections (b) and (c), and subject to the power of the Director to make emergency assessments under subsection (d), a taxpayer notifies the Director in writing of the taxpayer's desire to have a conference to review the proposed assessment, the taxpayer shall be afforded a conference with the Director provided the taxpayer has not previously had any of the conferences authorized by Section 4.810.2 of Revenue and Taxation Regulation No. 8301. In the event a taxpayer is afforded a conference with the Director under this subsection (f), the conference shall be held without unreasonable delay and no further action shall be taken by the Director under subsections (b) or (c) until said conference has been concluded and a conference report has been rendered.

(g) Court Review: A taxpayer desiring to appeal an assessment made under subsections (b), (c) or (d) shall have a period of one year from the date of the assessment to file an appropriate proceeding in the Commonwealth Superior Court under 4 CMC 1810.

Stay of Collection: A taxpayer may stay collection of (h) an assessment made under subsections (b), (c), or (d) during the pendency of a court proceeding brought under subsection (g) by posting with the Director and continuously maintaining in effect a surety bond, property or cash satisfactory to the Director, in an amount or having a value of 150% of the amount of the assessment, plus additional penalties and interest to be accrued.

	DATED THIS	12 MDAY OF	March	, 19	90.	
Issued:	$\neg 1$		Concu	c:		
T	· & m	-	Ju	un		5
ELOY S. IN Director o		(LORENZO Govern		LEON	GUERRERO

AMENDMENT TO CNMI REVENUE & TAXATION REG. NO. 8301

Section 2.811.1 Lien and Levy Procedure

By virtue of 4 CMC 1811 and 1818, the Director has authority to issue regulations concerning the enforcement and collection of taxes through the use of tax liens and levies upon property belonging to taxpayers. For purposes of the Northern Marianas Territorial Income Tax ("NMTIT"), 4 CMC, Division I, Chapter 7, the rules governing liens and levies found under the Internal Revenue Code ("IRC") and the Regulations promulgated thereunder shall apply.

For purposes of Business Gross Revenue Tax ("BGRT"), 4 CMC, Division I, Chapter 3, and the Wage and Salary Tax ("WST"), 4 CMC, Division I, Chapter 2, tax liens governed by 4 CMC 1811 shall arise on the date when a full, true and correct return showing the full amount of gross revenue or wages and salaries imposed by the BGRT or the WST should have been filed and the full amount tax imposed by the BGRT or WST should have been paid, as set forth in 4 CMC 1804 and 4 CMC 1805.

Such tax lien shall cover all BGRT or WST plus penalties and interest imposed or authorized by 4 CMC 1815, 1816 and 1817.

The priority of such tax lien in real estate or in any interest therein shall be determined in accordance with applicable CNMI law (including 1 CMC 3711 and 3712, 2 CMC 4521 through 4523, 2 CMC 4520, and 2 CMC 4615). With respect to property other than real estate, and subject to other applicable provisions of CNMI law, no such tax lien shall have priority over any bona fide purchaser or lessee for valuable consideration, a bona fide holder of a security interest for value, a bona fide judgment lien creditor or other bona fide interest or encumbrance unless such tax lien has been first recorded in the Office of the CNMI Recorder or said party has actual notice of such tax lien or claim giving rise to such tax lien; Provided, that none of the aforesaid parties shall prevail over such tax lien unless they have taken all steps under applicable law to properly perfect their interest in the property.

The form and content of the notice of tax lien shall be established by the Director, as set forth in 4 CMC 1806.

In addition to any other levy, collection and foreclosure procedures, powers and remedies allowed by CNMI law (including 7 CMC 4102 through 4104, 4 CMC 4201 through 4210, and 2 CMC 4520), the Director is granted and shall have the right to use the levy, collection and foreclosure procedures, powers and remedies set forth in IRC 6331 through 6333 and IRC 6335 through 6343 for purposes of the BGRT and the WST, provided, however, that IRC 6331(d)(4) and (g), and IRC 6335(f) and (g) shall not apply.

DATED THIS 12 m DAY OF March, 1990.

Issued:

ELOY S. INOS Director of Finance

Concur:

LORENZO I. DE LEON GUERRERO Governor

VOLUME 12 NO. 03

MARCH 15, 1990