

TITLE 4: ECONOMIC RESOURCES
DIVISION 1: REVENUE AND TAXATION

§ 1309. Tax Relief.

The tax imposed under 4 CMC § 1304 shall not apply to interest income received by the financing institution from loans made to the CNMI government pursuant to any interim financing arrangement authorized under PL 11-102.

Source: PL 11-121, § 3, modified.

Commission Comment: PL 11-121 took effect February 7, 2000. PL 11-121 contained short title, findings and purpose, exemption from rebate limitation, severability, and savings clause provisions as follows:

Section 1. Short Title. This Act may be cited as the Capital Improvement Projects Tax Relief Act of 1999.

Section 2. Findings and Purpose. The Legislature finds that in the interest of lowering the cost of borrowing money under the interim financing authorized pursuant to Public Law 11-102, the CNMI shall provide to the financing institution a tax relief from the gross revenue tax, and allow an income tax rebate for any taxes paid under the NMTIT on interest income received by any financing institution pursuant to Public Law 11-102.

Section 4. Exemption From Rebate Limitation. Notwithstanding the rebate limitation set forth in 4 CMC § 1708(d)(1), the rebate offset amount shall be allowed on any income tax paid on interest income received by the financing institution pursuant to the interim financing arrangement authorized under Public Law 11-102.

Section 5. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 6. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

PL 11-102 cross-referenced in this section authorizes the Commonwealth Development Authority to issue bonds on behalf of the Commonwealth in an amount up to \$60,000,000 U.S. Dollars and authorizes interim bridge financing; to finance the cost for capital improvement projects. Section 3 of PL 11-102 is codified at 4 CMC § 10701.