

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

**§ 1312. Long-Term Disability Employment Tax Credit.**

- (a) Any employer who hires an individual with a disability, as defined by the Americans with Disabilities Act of 1990, as amended (42 U.S.C. § 12101 et seq.), may qualify for a non-refundable tax credit of 40% of the wages paid to such worker against the tax imposed on employer's total gross revenue.
- (b) In order to qualify for the tax credit provided for in §1312(a), the individual must be continuously employed by the employer for nine (9) months. The individual may be employed part-time or full-time. The tax credit shall be capped at \$4,000 per employer per tax year for all the employer's eligible employees. This cap shall increase by \$1,000 for each tax year thereafter, to a maximum of \$10,000.
- (c) To obtain the nonrefundable tax credit, the employer must furnish to the Division of Revenue and Taxation a properly documented compliance letter for each individual issued by any medically acceptable clinic and/or laboratory. Further, the employer shall annually certify compliance with all provisions of this section to the Secretary of Labor.
- (d) The Secretary of Labor shall have the authority to certify all qualified employers in accordance with subsection (b).

**Source:** PL 23-15, § 2 (January 8, 2024), modified.

**Commission Comment:** In addition to severability and savings clause provisions, PL 23-15 included the following Findings section:

Section 1. Findings and Purposes. The Legislature finds that many individuals with disabilities in our Commonwealth are faced with difficulties in accessing employment, restrooms, transportation, and other essential public services. The Legislature also finds that the Americans with Disabilities Act (ADA) of 1990 was enacted as the nation's first comprehensive civil rights law addressing the needs of people with disabilities. This legislation addressed issues regarding discrimination in employment, public services, public accommodations, and telecommunications for people with disabilities. It afforded similar protections against discrimination to Americans with disabilities as the Civil Rights Act of 1964, which prohibits discrimination based on race, religion, sex, national origin, and other characteristics. As a U.S. jurisdiction, it is essential to ensure that our citizens with special needs are protected and enabled to enjoy the rights that are afforded to them by the Americans with Disabilities Act of 1990.

The Legislature further finds that many individuals with disabilities in the CNMI are eager and determined to be part of the workforce. Many of these individuals are not only highly educated but also highly capable to establish themselves and be positive contributors to our society. The Legislature also finds that it would be appropriate to provide incentives for employers to hire these individuals. A nonrefundable tax credit will give these businesses an incentive to provide a suitable platform for this

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special group of individuals to showcase their skills and feel empowered to be positive contributors to our society.

Therefore, the purpose of this Act is to enact a provision to provide tax incentives for employers who hire individuals with disabilities.

The Commission numbered this division pursuant to 1 CMC § 3806(a). In subsection (b), the Commission changed “§ xxx(a)” to “§ 1312(a)” and omitted drafting marks pursuant 1 CMC § 3806(g).