

TITLE 4: ECONOMIC RESOURCES
DIVISION 1: REVENUE AND TAXATION

§ 1714. Special Rebate Trust Account.

At least 50 percent of all amounts paid to the government with respect to taxes imposed under this chapter shall not be placed into the General Fund or commingled with other funds, but shall be deposited by the Secretary of Finance into one or more FDIC or FSLIC insured special purpose trust accounts in banks within the Commonwealth. The proceeds may be withdrawn from the trust accounts only for the purpose of:

- (a) Making rebates for any fiscal year as provided in this chapter;
- (b) Payment into the General Fund, but only after a final determination, including a judicial determination if requested by any taxpayer, that the amount in question is not validly subject to rebate under this chapter; or
- (c) Payments into the General Fund of the interest or earnings derived from such trust accounts.

Source: PL 9-57, § 4; amended by PL 11-49, §§ 1 and 2 (see Commission comment below).

Commission Comment: With respect to the references to the “Secretary of Finance,” see Executive Order 94-3 (effective August 23, 1994), reorganizing the executive branch, changing agency names and official titles, and effecting other changes, set forth in the Commission comment to 1 CMC § 2001.

PL 11-49 contains two amendments to this section. The first amendment in section 1 is reflected above and took effect on January 1, 1998. The second amendment has a delayed effective date of January 1, 2001. The entire PL 11-49 is set forth below for reference.

Section 1. Special Rebate Trust Account; Tax Deposit Percentage Decreased; Withdrawal Purpose Clarified. Amend 4 CMC § 1714 to read as follows:

“§ 1714. Special Rebate Trust Account.

At least 50 percent of all amounts paid to the government with respect to taxes imposed under this chapter shall not be placed into the General Fund or commingled with other funds, but shall be deposited by the Secretary of Finance into one or more FDIC or FSLIC insured special purpose trust accounts in banks within the Commonwealth. The proceeds may be withdrawn from the trust accounts only for the purpose of:

- (a) Making rebates for any fiscal year as provided in this chapter;
- (b) Payment into the General Fund, but only after a final determination, including a judicial determination if requested by any taxpayer, that the amount in question is not validly subject to rebate under this chapter, or
- (c) Payments into the General Fund of the interest or earnings derived from such trust accounts.”

Section 2. Special Rebate Trust Account; Tax Deposit Percentage Increased. Amend 4 CMC § 1714 to read as follows:

“§ 1714. Special Rebate Trust Account.

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At least 75 percent of all amounts paid to the government with respect to taxes imposed under this chapter shall not be placed into the General Fund or commingled with other funds, but shall be deposited by the Secretary of Finance into one or more FDIC or FSLIC insured special purpose trust accounts in banks within the Commonwealth. The proceeds may be withdrawn from the trust accounts only for the purpose of:

- (a) Making rebates for any fiscal year as provided in this chapter;
- (b) Payment into the General Fund, but only after a final determination, including a judicial determination if requested by any taxpayer, that the amount in question is not validly subject to rebate under this chapter, or
- (c) Payments into the General Fund of the interest or earnings derived from such trust accounts.”

Section 3. Annual Report. The Secretary of Finance shall submit an annual report to the Presiding Officers of the Legislature no later than January 15 detailing the status of the Account.

Section 4. Prospective Repeal. 4 CMC §1714 as inserted by Section 1 of this Act shall be repeal December 31, 2000.

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 at the date this Act becomes effective.

Section 7. Effective Date. Upon its approval by the Governor or upon its becoming law without such approval:

- (a) Section 2 of this Act shall take effect January 1, 2001.
- (b) The remainder of this Act shall take effect January 1, 1998.