



David M. Apatang
Governor

Dennis James C. Mendiola
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

March 27, 2026

GOV2026-210

The Honorable Edmund S. Villagomez
Speaker
House of Representatives
Twenty-Fourth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950


The Honorable Karl R. King-Nabors
President
The Senate; Twenty-Fourth Northern
Marianas Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Speaker and Mr. President:

This is to inform you that I have signed into law **House Bill No. 24-63**, entitled, "To amend Title 4 sections 1991 to 1995 relating to the 3% construction tax on gross revenues derived from certain non-residential construction projects and to enact a new section 1996 pertaining to Applicability; and for other purposes.", which was passed by the House of Representatives and the Senate of the Twenty-Fourth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 24-30**. Copies bearing my signature are forwarded for your reference.

Sincerely,


DAVID M. APATANG
Governor

cc: Lieutenant Governor; Attorney General; Commonwealth Law Revision Commission;
Public Auditor; Secretary of Finance; Revenue and Taxation; Department of Public Works;
Special Assistant for Administration; Programs and Legislative Review



**HOUSE OF REPRESENTATIVES
TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE**

Vice Speaker Jesus P. Mafnas Memorial Building
Capitol Hill
Saipan, MP 96950
cnmileg.net

February 20, 2026

The Honorable David M. Apatang
Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Apatang:

I have the honor of transmitting herewith for your action **H. B. No. 24-63**, entitled, "To amend Title 4 sections 1991 to 1995 relating to the 3% construction tax on gross revenues derived from certain non-residential construction projects and to enact a new section 1996 pertaining to Applicability; and for other purposes.", which was passed by the House of Representatives and the Senate of the Twenty-Fourth Northern Marianas Commonwealth Legislature.

Sincerely yours,


Linda B. Muña, MPA
House Clerk

Attachment





**TWENTY-FOURTH NORTHERN MARIANA COMMONWEALTH LEGISLATURE
IN THE HOUSE OF REPRESENTATIVES**

SECOND REGULAR SESSION

OCTOBER 9, 2025

REPRESENTATIVE JOHN PAUL P. SABLAN OF SAIPAN, PRECINCT 2 (*for himself*, Representatives Roy C.A. Ada, Vincent R. Aldan, Daniel I. Aquino Jr., Blas Jonathan "BJ" T. Attao, Roman C. Benavente, Angelo A. Camacho, Joel C. Camacho, Joseph A. Flores, Malcolm J. Omar, Raymond U. Palacios, Patrick H. San Nicolas, Denita Kaipat Yangetmai, and Ralph N. Yumul) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 24-63

AN ACT

TO AMEND TITLE 4 SECTIONS 1991 TO 1995 RELATING TO THE 3% CONSTRUCTION TAX ON GROSS REVENUES DERIVED FROM CERTAIN NON-RESIDENTIAL CONSTRUCTION PROJECTS AND TO ENACT A NEW SECTION 1996 PERTAINING TO APPLICABILITY; AND FOR OTHER PURPOSES.

IN THE HOUSE OF REPRESENTATIVES

The Bill was not referred to a House Committee.

**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, OCTOBER 9, 2025;**
without amendments and transmitted to **THE SENATE.**

IN THE SENATE

The Bill was referred to the Senate Committee on Fiscal Affairs, which submitted Standing Committee Report 24-59; adopted 2/4/2026.

THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, FEBRUARY 13, 2026;
without amendments and returned to **THE HOUSE OF REPRESENTATIVES.**

**H. B. NO. 24-63 IS DULY PASSED BY THE TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE.**



Linda B. Muña, House Clerk



TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
IN THE HOUSE OF REPRESENTATIVES

FIFTH DAY, SECOND REGULAR

OCTOBER 9, 2025

H. B. No. 24-63

AN ACT

**TO AMEND TITLE 4 SECTIONS 1991 TO 1995 RELATING TO THE
3% CONSTRUCTION TAX ON GROSS REVENUES DERIVED
FROM CERTAIN NON-RESIDENTIAL CONSTRUCTION
PROJECTS AND TO ENACT A NEW SECTION 1996
PERTAINING TO APPLICABILITY; AND FOR OTHER
PURPOSES.**

**BE IT ENACTED BY THE TWENTY-FOURTH NORTHERN
MARIANAS COMMONWEALTH LEGISLATURE:**

1 **SECTION 1. FINDINGS AND PURPOSE.**

2 The Legislature finds that Public Law 23-31 established a 3% construction
3 tax. However, the scope and parameters for this tax need to be further clarified
4 for clear enforcement. Therefore, it is the purpose of this Act to amend Public Law
5 23-31, codified as 4 CMC § 1991 et seq., to clearly impose the construction tax on
6 all revenues received or accrued by General Contractors beginning on the first
7 day of the following calendar month in which this Act becomes law.

HOUSE BILL 24-63

SECTION 2. AMENDMENT.

1 The title of Title 4. Economic Resources, Division 1. Revenue and Taxation,
2 Chapter 14. “Non-Residential Construction Surtax,” is hereby amended to read:
3 “Non-Residential Construction Tax”.
4

SECTION 3. AMENDMENT.

5 Title 4. Economic Resources, Division 1. Revenue and Taxation, Chapter 14.
6 Non-Residential Construction Surtax, Section 1991 is hereby amended to add a
7 new subsection (a), “Construction” and delete subsection (b) “Qualification
8 Construction Project”. The amended statute shall read as follows:
9

“§ 1991. Definitions.

10 For the purposes of this Chapter:

11 (a) “Construction” means any activity that creates, installs, alters,
12 repairs, improves, maintains, or demolishes any building, structure, facility,
13 infrastructure, system, or other improvement to real property, including,
14 without limitation, all related site work, temporary works, mobilization,
15 testing, commissioning, and change orders; the leveling or clearing of land;
16 the excavating of earth; and the drilling of wells of any type, including
17 seismograph shot holes or core drilling.
18

19 (b) “General Contractor” means the primary entity that contracts for
20 the completion of an entire construction project and is typically responsible
21 for the hiring and coordinating the work of subcontractors; ensuring that the
22 project is completed on time, within budget, and according to the agreed-
23 upon specifications; acting as the main point of contact between the client

HOUSE BILL 24-63

1 and the various subcontractors; purchasing of materials; and ensuring that
2 the project adheres to all applicable local and federal laws.

3 (c) “Residential Housing” means single-family homes or other
4 standalone dwellings designed for individual households and excludes
5 multi-family units, such as apartments, condominium complexes,
6 commercial residential developments, or other similar shared living
7 structures.

8 (d) “Subcontractor” means a person or company hired by a General
9 Contractor to perform tasks or services as part of a larger construction
10 project. “Subcontractors” operate under a separate contract from the one
11 between the General Contractor and the client.”

12 **SECTION 4. AMENDMENT.**

13 Title 4. Economic Resources, Division 1. Revenue and Taxation, Chapter 14.
14 Non-Residential Construction Surtax, Section 1992 is hereby amended to read as
15 follows:

16 “(a) In addition to the tax imposed under Chapter 3 of Division 1 of
17 Title 4 of the Commonwealth Code, and unless expressly exempted herein,
18 a tax of 3% shall be imposed on the gross revenues of a General Contractor
19 that are directly attributed to or derived from Construction that, in the
20 aggregate, exceed \$350,000 in a taxable year.

21 (b) For the purposes of subsection (a), the gross revenue tax shall
22 exclude revenues generated by or derived from construction of Residential
23 Housing.

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1 (c) Revenues of a Subcontractor that are derived from Construction
2 performed for a General Contractor subject to the tax imposed by this
3 Section are exempt.

4 **SECTION 5. AMENDMENT.**

5 Title 4. Economic Resources, Division 1. Revenue and Taxation, Chapter 14.
6 Non-Residential Construction Surtax, Section 1993 subsection (a) is hereby
7 amended to read as follows:

8 “(a) A person may take the tax imposed on gross revenue under Section
9 1992 as a non-refundable tax credit against any taxes imposed on
10 Commonwealth source income under Subtitle A of the NMTIT pursuant to
11 Chapter 7 of Division 1 of Title 4 of the Commonwealth Code (4 CMC §§ 1701
12 et seq.). No such credit shall be allowed for any amount deducted in
13 determining taxable income under the NMTIT as shown on the taxpayer’s
14 return.”

15 [no changes to subsections (b) and (c)]

16 **SECTION 6. AMENDMENT.**

17 Title 4. Economic Resources, Division 1. Revenue and Taxation, Chapter 14.
18 Section 1994 subsection (b) is hereby amended to read as follows:

19 “(b) Filing Returns and Payment. The monthly returns and tax
20 payments under subsection (a) of this Section shall be filed and the tax paid,
21 if any, on or before the last day of the month following the close of each
22 month, to wit: on or before February 28, March 31, April 30, May 31, June
23 30, July 31, August 31, September 30, October 31, November 30, December
24 31, and January 31. The payment shall be based on the payors gross revenue

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1 in the preceding month, and the amount of tax imposed by this Chapter shall
2 be paid to the Commonwealth government through the secretary or his
3 appointee or appointees. Each business shall, on or before the date provided
4 for payment of tax under this Section, make a full, true, and correct return
5 showing all such gross revenue that are received, accrued, or earned,
6 whichever is earlier, and the amounts deducted and set aside on account
7 during the preceding month. This return shall be filed with the secretary
8 and include such other information as may be required or prescribed by the
9 secretary. The secretary for good cause, may extend the time for making
10 payments and returns, but not beyond the last day of the first month
11 succeeding the regular due date.”

12 **SECTION 7. AMENDMENT.**

13 Title 4. Economic Resources, Division 1. Revenue and Taxation, Chapter
14 14. Non-Residential Construction Surtax, Section 1995 is hereby amended to read
15 as follows:

16 “Special Gross Revenues from Qualifying Construction GRQC
17 Account.

18 (a) The Secretary of Finance shall establish a special Gross Revenues
19 from Qualifying Construction (GRQC) account separate from the General
20 Fund. The funds in the GRQC account shall not be subject to fiscal year
21 limitation and shall be used for the implementation and enforcement of
22 this Chapter.

23 (b) All revenues raised pursuant to this Chapter shall be deposited
24 into the General Fund, except:

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1 (i) ten percent shall be deposited in the special (GRQC) account
2 established by this Section, for appropriation by the Legislature as
3 follows:

4 (1) twenty percent of the (GRQC) funds shall be appropriated
5 for implementation and enforcement of this Chapter and customs
6 activities as follows:

7 (A) 2.5% shall be appropriated each to the First and
8 Second Senatorial District to the municipal Department of
9 Finance, under the expenditure authority of the respective
10 Resident Department Head; and

11 (B) 15% shall be appropriated to the Third Senatorial
12 District to the CNMI Department of Finance, under the
13 expenditure authority of the Secretary of Finance.

14 (2) eighty percent of the (GRQC) funds shall be appropriated
15 for road maintenance, solid waste, and environmental protection
16 purposes in the First, Second and Third Senatorial Districts as
17 follows:

18 (A) 15% shall be appropriated each to the First and
19 Second Senatorial District to the municipal Department of
20 Public Works, under the expenditure authority of the
21 respective Resident Department Head; and

22 (B) 50% shall be appropriated to the Third Senatorial
23 District to the CNMI Department of Public Works, under the
24 expenditure authority of the Secretary of Public Works.”

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SECTION 8. AMENDMENT.

1 **SECTION 8. AMENDMENT.**
2 Title 4. Economic Resources, Division 1. Revenue and Taxation, Chapter 14.
3 Non-Residential Construction Surtax, is hereby amended by adding a new
4 Section, 1996, titled, "Applicability; Transitional Rule," that shall read as follows:

5 (a) The tax imposed under Section 1992(a) applies beginning on the
6 first day of the following calendar month in which this Act becomes law. The
7 tax does not apply to gross revenues received or accrued in prior months;
8 however, for purposes of the \$350,000 annual threshold in Section 1992(a),
9 a General Contractor's cumulative gross revenues from Construction for the
10 taxable year shall be taken into account."

SECTION 9. SEVERABILITY.

11 **SECTION 9. SEVERABILITY.**
12 If any provisions of this Act or the application of any such provision to any
13 person or circumstance should be held invalid by a court of competent
14 jurisdiction, the remainder of this Act or the application of its provisions to
15 persons or circumstances other than those to which it is held invalid shall not be
16 affected thereby.

SECTION 10. SAVINGS CLAUSE.

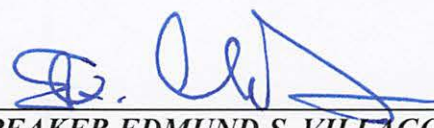
17 **SECTION 10. SAVINGS CLAUSE.**
18 This Act and any repealer contained herein shall not be construed as
19 affecting any existing right acquired under contract or acquired under statutes
20 repealed or under any rule, regulation, or order adopted under the statutes.
21 Repealers contained in this Act shall not affect any proceeding instituted under
22 or pursuant to prior law. The enactment of the Act shall not have the effect of
23 terminating, or in any way modifying, any liability, civil or criminal, which shall
24 already be in existence on the date this Act becomes effective.

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1 **SECTION 11. EFFECTIVE DATE.**

2 This Act shall take effect upon its approval by the Governor, or it becoming
3 law without such approval.

Attested to by: 
Linda B. Muña, House Clerk

Certified by: 
SPEAKER EDMUND S. VILLAGOMEZ
House of Representatives
24th Northern Marianas Commonwealth Legislature

Approved this 27th day of March, 2026


DAVID M. APATANG
Governor
Commonwealth of the Northern Mariana Islands