



**Arnold I. Palacios**  
Governor

**David M. Apatang**  
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
**OFFICE OF THE GOVERNOR**

**31 JAN 2023**

The Honorable Edith E. Deleon Guerrero  
President of the Senate  
Twenty-Third Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

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

Dear Madam President and Mr. Speaker:

This is to inform you that I have signed into law **Senate Bill No. 22-78, HD1** entitled, "To amend 4 CMC § 1205 to include the Northern Marianas Technical Institute as a qualified educational institution to benefit from the education tax credit," which was passed by the Senate and the House of Representatives of the Twenty-Second Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 22-28**. Copies bearing my signature are forwarded for your reference.

Sincerely,

  
**ARNOLD I. PALACIOS**  
Governor

cc: Lt. Governor; Attorney General's Office; Commonwealth Law Revision Commission; Public Auditor; Northern Marianas Technical Institute; Division of Revenue and Taxation; Programs and Legislative Review Office



THE SENATE  
Twenty-Second Northern Marianas Commonwealth Legislature  
P. O. Box 500129  
Saipan, MP 96950

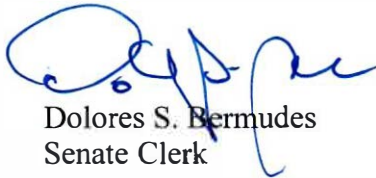
December 28, 2022

The Honorable Ralph DLG. Torres  
Governor  
Commonwealth of the Northern Mariana Islands  
Capital Hill  
Saipan, MP 96950

Dear Governor Torres:

I have the honor of transmitting herewith for your action Senate Bill No. 22-78, HD1, entitled: "To amend 4 CMC § 1205 to include the Northern Marianas Technical Institute as a qualified educational institution to benefit from the education tax credit," which was passed by the Senate and the House of Representatives of the Twenty-Second Northern Marianas Commonwealth Legislature.

Sincerely,



Dolores S. Bermudes  
Senate Clerk

Attachments

PROGRAMS & LEGISLATIVE REVIEW  
RECEIVED BY: Amy Shan  
DATE & TIME: 12/29/2022 10:30 am



**THE SENATE**  
**TWENTY-SECOND NORTHERN MARIANAS COMMONWEALTH LEGISLATURE**

**SENATE BILL NO. 22-78, HD1**

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**AN ACT**

To amend 4 CMC § 1205 to include the Northern Marianas Technical Institute as a qualified educational institution to benefit from the education tax credit.

***SENATE ACTION***

**Offered by Senator(s):** Justo S. Quitugua

**Date:** July 18, 2022

**Referred to:** None

**Standing Committee Report No.:** None

**Final Reading:** Accepted and passed HD1 on December 28, 2022

***HOUSE ACTION***

**Referred to:** None

**Standing Committee Report No.:** None

**First and Final Reading:** November 30, 2022

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A handwritten signature in blue ink, appearing to read "Dolores S. Bermudes".

**DOLORES S. BERMUDES**  
**SENATE CLERK**



**THE SENATE**  
 TWENTY-SECOND NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

**SIXTH SPECIAL SESSION, 2022**

**S. B. NO. 22-78, HD1**

**AN ACT**

To amend 4 CMC § 1205 to include the Northern Marianas Technical Institute as a qualified educational institution to benefit from the education tax credit.

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

1           **Section 1. Findings and Purpose.** The Legislature finds that the Northern  
 2 Marianas Trade Institute, as a private entity, is included in 4 CMC § 1205 as a qualified  
 3 educational and was able to benefit from the education tax credit. The Legislature however  
 4 finds that Public Law 20-92 established the Northern Marianas Technical Institute, as a  
 5 government entity, requires the need to specifically include the Northern Marianas  
 6 Technical Institute to qualify and benefit from the education tax credit.

7           Accordingly, the purpose of this legislation is to amend 4 CMC § 1205 to include  
 8 the Northern Marianas Technical Institute as an educational institution to benefit from the  
 9 education tax credit.

10           **Section 2. Amendment.** Title 4, Division 1, Chapter 2, Section 1205 of the  
 11 Commonwealth Code is amended to read:

“§ 1205. Education Tax Credit.

(a) A person may take cash contributions made during the tax year to  
 13 qualifying educational institutions as a nonrefundable credit against the tax  
 14 imposed by 4 CMC § 1201 and 4 CMC § 1202 to the extent provided by this  
 15 section. No such credit shall be allowed for any amount deducted in determining  
 16

## SENATE BILL NO. 22-78, HD1

1 taxable income under the NMTIT as shown on the taxpayer's return. Amounts paid  
 2 for tuition or fees charged by an educational institution are not cash contributions  
 3 eligible for a credit within the meaning of this section. The "tax imposed on wages  
 4 and salaries or earnings" for purposes of computing the credit under 4 CMC § 1206  
 5 is the tax net of any credit taken pursuant to this section.

6 (b) The maximum credit available in any one year under this section and 4  
 7 CMC § 1306 combined shall be the lesser of the sum of the taxes imposed under 4  
 8 CMC §§ 1201, 1202 and 1301 through 1304, or \$5,000.

9 (c) A "qualified educational institution" under this section means:

10 (1) The Public School System ("PSS");

11 (2) Northern Marianas College ("NMC");

12 (3) An educational institution located in the Commonwealth which has been  
 13 issued a Letter of Determination granting tax-exempt status under Section  
 14 501(c)(3) of the IRC by the Division of Revenue and Taxation prior to the date of  
 15 the donation for which the tax credit is taken;

16 (4) Commonwealth Museum of History and Culture;

17 (5) Northern Mariana Islands Council for the Humanities;

18 (6) Joeten-Kiyu Public Library;

19 ~~(7) Northern Marianas Trade Institute;~~

20 ~~(8)~~ (7) Northern Marianas Technical Institute; and

21 ~~(8-9)~~ (8) The Northern Marianas Sports Association.

22 (d) To obtain the credit, the taxpayer must furnish the following to the  
 23 Division of Revenue and Taxation:

24 (1) A properly documented receipt issued by the recipient institution which  
 25 must include, at a minimum, the name and tax identification number of the  
 26 institution, the taxpayer's name and tax identification number, the date of payment  
 27 and the amount paid, and the purpose of the donation; and

28 (2) A copy of the Letter of Determination with respect to the tax-exempt  
 29 status of the recipient institution."

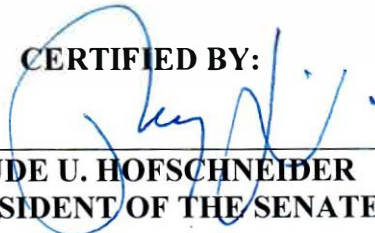
SENATE BILL NO. 22-78, HD1

1           **Section 3. Severability.** If any provision of this Act or the application of any such  
2 provision to any person or circumstance should be held invalid by a court of competent  
3 jurisdiction, the remainder of this Act or the application of its provisions to persons or  
4 circumstances other than those to which it is held invalid shall not be affected thereby.

5           **Section 4. Savings Clause.** This Act and any repealer contained herein shall not be  
6 construed as affecting any existing right acquired under contract or acquired under statutes  
7 repealed or under any rule, regulation or order adopted under the statutes. Repealers  
8 contained in this Act shall not affect any proceeding instituted under or pursuant to prior  
9 law. The enactment of this Act shall not have the effect of terminating, or in any way  
10 modifying, any liability civil or criminal, which shall already be in existence at the date  
11 this Act becomes effective.

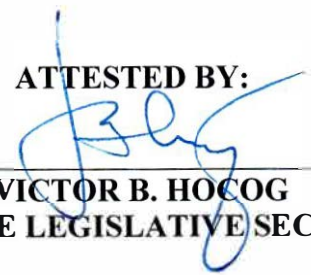
12           **Section 5. Effective Date.** This Act shall take effect upon its approval by the  
13 Governor or upon its becoming law without such approval.

CERTIFIED BY:



JUDE U. HOFSCHEIDER  
PRESIDENT OF THE SENATE

ATTESTED BY:



VICTOR B. HOCOG  
SENATE LEGISLATIVE SECRETARY

*Approved* this 31<sup>st</sup> day of January 2022<sup>3</sup>



ARNOLD I. PALACIOS

Governor  
Commonwealth of the Northern Mariana Islands