

**Twenty-Second Northern Marianas Commonwealth Legislature**

**IN THE HOUSE OF REPRESENTATIVES**

\_\_\_\_\_  
Session, 2022

\_\_\_\_\_  
H. B. 22- 114

**A BILL FOR AN ACT**

To enact a provision to provide tax incentives for employers who hire individuals with special needs.

**BE IT ENACTED BY THE 22<sup>ND</sup> NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           **Section 1. Findings and Purpose.** The Legislature finds that many  
2 individuals with disabilities in our Commonwealth are faced with difficulties in  
3 accessing employment, restrooms, transportation, and other essential public  
4 services. The Legislature also finds that the Americans with Disabilities Act (ADA)  
5 of 1990 was enacted as the nation's first comprehensive civil rights law addressing  
6 the needs of people with disabilities. This legislation addressed issues regarding  
7 discrimination in employment, public services, public accommodations, and  
8 telecommunications for people with disabilities. It afforded similar protections  
9 against discrimination to Americans with disabilities as the Civil Rights Act of  
10 1964, which prohibits discrimination based on race, religion, sex, national origin,  
11 and other characteristics. As a U.S. jurisdiction, it is essential to ensure that our  
12 citizens with special needs are protected and enabled to enjoy the rights that are  
13 afforded to them by the Americans with Disabilities Act of 1990.

1           The Legislature further finds that many individuals with disabilities in the  
2 CNMI are eager and determined to be part of the workforce. Many of these  
3 individuals are not only highly educated, but also highly capable to establish  
4 themselves and be positive contributors to our society. The Legislature also finds  
5 that it would be appropriate to provide incentives for employers to hire these  
6 individuals. A nonrefundable tax credit will give these businesses an incentive to  
7 provide a suitable platform for this special group of individuals to showcase their  
8 skills and feel empowered to be positive contributors to our society.

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

11           **Section 2. Enactment.** Subject to codification by the CNMI Law Revision  
12 Commission, the following new section is added to Title 4, Division 1, Chapter 3  
13 of the Commonwealth Code as follows:

14                           **“§ xxx. Long-Term Disability Employment Tax Credit.**

15                           (a) Any employer who hires an individual with a disability, as  
16 defined at 3 CMC § 3003(i), may qualify for a nonrefundable tax credit of  
17 40% of the wages paid to such worker against the tax imposed on total gross  
18 revenue by 4 CMC §§ 1301–1311.

19                           (b) In order to qualify for the tax credit provided for in § xxx(a), the  
20 individual must be continuously employed by the employer for a minimum  
21 of one tax year. The individual may be employed part-time or full-time. The  
22 tax credit shall be capped at \$4,000 for the tax year it is claimed, inclusive



1 of all employees who are eligilble. This cap shall increase by \$1,000 for  
2 each tax year thereafter, to a maximum of \$10,000.

3 (c) The employer shall take affirmative steps to ensure that the  
4 employment does not detrimentally affect a worker's eligibility for public  
5 assistance programs such as the Nutrition Assistance Program. This may  
6 include structuring the employment relationship such that hours are limited  
7 to not exceed eligibility caps for benefits.

8 (d) To obtain the nonrefundable tax credit, the employer must  
9 furnish to the Division of Revenue and Taxation a properly documented  
10 compliance letter for each individual issued by any medically acceptable  
11 clinic and/or laboratory. Further, the employer shall annually certify  
12 compliance with all provisions of this section to the Secretary of Labor.”

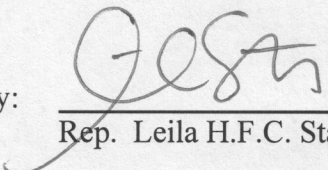
13 **Section 3. Severability.** If any provision of this Act or the application of  
14 any such provision to any person or circumstance should be held invalid by a court  
15 of competent jurisdiction, the remainder of this Act or the application of its  
16 provisions to persons or circumstances other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

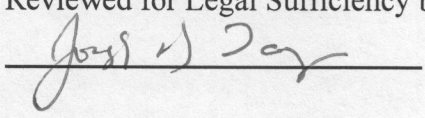
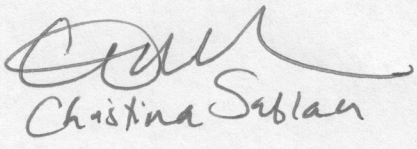
18 **Section 4. Savings Clause.** This Act and any repealer contained herein  
19 shall not be construed as affecting any existing right acquired under contract or  
20 acquired under statutes repealed or under any rule, regulation or order adopted  
21 under the statutes. Repealers contained in this Act shall not affect any proceeding  
22 instituted under or pursuant to prior law. The enactment of this Act shall not have

1 the effect of terminating, or in any way modifying, any liability civil or criminal,  
2 which shall already be in existence at the date this Act becomes effective.

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

Prefiled: 8/22/2022

Date: 8/22/2022 Introduced by:   
Rep. Leila H.F.C. Staffler

Reviewed for Legal Sufficiency by:  
   
Christina Sablan