

TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

_____ Session, 2023

H. B. 23- **35**

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 23RD 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 disabilities.

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

1 tax credit shall be capped at \$4,000 for the tax year it is claimed, inclusive
2 of all employees who are eligible. This cap shall increase by \$1,000 for each
3 tax year thereafter, to a maximum of \$10,000.

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

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

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

19 **Section 4. Savings Clause.** This Act and any repealer contained herein shall
20 not be construed as affecting any existing right acquired under contract or acquired
21 under statutes repealed or under any rule, regulation or order adopted under the

1 statutes. Repealers contained in this Act shall not affect any proceeding instituted
2 under or pursuant to prior law. The enactment of this Act shall not have the effect
3 of terminating, or in any way modifying, any liability civil or criminal, which shall
4 already be in existence at the date this Act becomes effective.

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

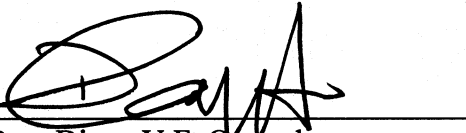
Prefiled: 3/28/2023

Date: _____

Introduced by: _____



Rep. Thomas J. DLC. Manglona



Rep. Diego V.F. Carracho

Reviewed for Legal Sufficiency by:

J. Moody 3/27/23
House Legal Counsel

