

**TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH  
LEGISLATURE**

**IN THE HOUSE OF REPRESENTATIVES**

\_\_\_\_\_ Session, 2023

H. B. 23- 79

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**A BILL FOR AN ACT**

To establish a tax credit for monetary donations/contributions made to public hospital(s) and/or clinic(s).

**BE IT ENACTED BY THE 23<sup>RD</sup> NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           **Section 1. Findings and Purpose.** The Legislature finds that public  
2 hospitals and clinics are two excruciatingly important components of the  
3 Commonwealth's healthcare system. On a daily basis, the management and staff of  
4 these facilities go above and beyond to provide the necessary medical services that  
5 their respective patients require. The Legislature also finds that throughout the  
6 years, businesses in the Commonwealth have been able and are willing to make  
7 generous donations to causes that would significantly benefit our communities. As  
8 facilities that are compassionately dedicated to serving the community, it would be  
9 exceptionally imperative to provide incentives for businesses to make monetary  
10 donations/contributions to such facilities. Such incentive would include a tax credit  
11 for such gracious monetary donations/contributions. With these generous  
12 endowments, the recipient hospitals and/or clinics can use such funds to improve

1 their facilities and services for the betterment of future patients to come. As a result  
2 of these tax credits, both the business donors and the hospital/clinic facilities will  
3 mutually benefit from each other further yielding great medical benefit for future  
4 generations to come.

5 Therefore, the purpose of this Act is to establish a tax credit for monetary  
6 donations/contributions made to public hospital(s) and/or clinic(s).

7 **Section 2. Amendment.** Subject to codification by the CNMI Law Revision  
8 Commission, Title 4, Division 1, Chapter 3 of the Commonwealth is hereby  
9 amended by adding a new section to read as follows:

10 **“§101. Healthcare Contribution Tax Credit.**

11 (a) Any person may take cash contributions made during the tax year to  
12 public hospitals and/or clinics as a nonrefundable credit against the tax  
13 imposed by 4 CMC §§ 1301, 1302, 1303, and 1304 to the extent provided  
14 by this section. No such credit shall be allowed for any amount deducted in  
15 determining taxable income under the NMTIT as shown on the taxpayer's  
16 return. Amounts paid for tuition or fees charged by an educational  
17 institution are not cash contributions eligible for a credit within the meaning  
18 of this section. The “tax imposed” for purposes of computing the credit  
19 under 4 CMC § 1308 is the tax net of any credit taken pursuant to this  
20 section.

1 (b) The maximum credit available in any one year under this section shall  
2 be the lesser of the sum of the taxes imposed under 4 CMC §§ 1301 through  
3 1304, or \$5,000.

4 (c) The terms “hospital” and “clinic” under this section has the same  
5 meaning as 3 CMC §2822(f) and 3 CMC §2822(c), respectively.

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

8 (1) A properly documented receipt issued by the recipient institution  
9 which must include, at a minimum, the name and tax identification  
10 number of the institution, the taxpayer’s name and tax identification  
11 number, the date of payment and the amount paid, and the purpose of  
12 the donation; and

13 (2) A copy of the Letter of Determination with respect to the tax-  
14 exempt status of the recipient institution.”

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

20 **Section 4. Savings Clause.** This Act and any repealer contained herein  
21 shall not be construed as affecting any existing right acquired under contract or

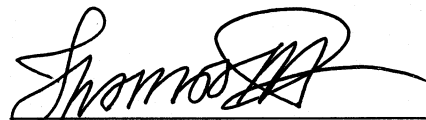
1 acquired under statutes repealed or under any rule, regulation, or order adopted  
2 under the statutes. Repealers contained in this Act shall not affect any proceeding  
3 instituted under or pursuant to prior law. The enactment of the Act shall not have  
4 the effect of terminating, or in any way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

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

Prefiled: 3/30/2023

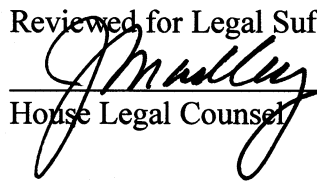
Date: \_\_\_\_\_

Introduced by: \_\_\_\_\_

  
Rep. Thomas J. DLC. Manglona

Reviewed for Legal Sufficiency by:

House Legal Counsel

 3/27/23

  
  
Mr. A. Cruz  
