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Section 503. The following laws of the United States, presently inapplicable to the Trust Territory of the Pacific Islands, will not apply to the Northern Mariana Islands except in the manner and to the extent made applicable by the United States Congress by law after termination of the Trusteeship Agreement:

(a) The immigration and naturalization laws of the United States;

(b) The coastwise laws of the United States and any prohibition in the laws of the United States against foreign vessels landing fish or fish products in the United States, provided however that such laws shall apply to the Northern Mariana Islands as provided in Section 502 to the extent they concern United States Government shipments; and

(c) The minimum wage provisions of the Fair Labor Standards Act, provided however that the minimum wage provisions of laws relating to employees and contractors of the United States Government shall apply as provided in Section 502.

Section 504. Appropriate officials of the United States Government will be empowered to issue regulations providing that persons who are nationals but not citizens

of the United States and who are domiciled in the Northern Mariana Islands will be considered citizens of the United States for the purpose of such provisions of the maritime and shipping laws of the United States as such officials deem appropriate.

DRAFT
October 11, 1974

ARTICLE VI

Revenue and Taxation Provisions

Section 601.

(a) The income tax laws in force in the United States and those which may hereafter be enacted shall be likewise in force in the Northern Mariana Islands as a separate territorial income tax, to be payable to the Government of the Northern Mariana Islands and to be known as the "Northern Mariana Islands Territorial Income Tax".

(b) As used in subsection (a) of this Section the term "income tax laws in force in the United States" includes but is not limited to the following provisions of the Internal Revenue Code of 1954, where not manifestly inapplicable or incompatible with the intent of this Section: subtitle A (not including Chapter 2 and section 931); chapters 24 and 25 of subtitle C, with reference to the collection of income tax at source on wages; and all provisions of subtitle F which apply to the income tax, including provisions as to crimes, other offenses, and forfeitures contained in chapter 75.

(c) In applying the Northern Mariana Islands Territorial Income Tax pursuant to Subsection (a) of this Section, except where it is manifestly otherwise required, the applicable provisions of the Internal Revenue Code of 1954 shall be read so as to substitute "The Northern Mariana Islands" for "the United States", "Governor or his delegate" for "Commissioner of Internal Revenue" and

"Collector of Internal Revenue", "District Court of the Northern Mariana Islands" for "District Court", with other changes in nomenclature and other language, including the omission of inapplicable language, where necessary to effect the intent of this Section.

(d) The administration and enforcement of the Northern Mariana Islands Territorial Income Tax shall be performed by or under the supervision of the Governor of the Northern Mariana Islands. The Governor or his delegate shall have the same administrative and enforcement powers and remedies with regard to the Northern Mariana Islands Territorial Income Tax as the Secretary of the Treasury, and other United States officials of the Executive Branch, have with respect to the United States income tax.

[(e) The Legislature of the Northern Mariana Islands shall have the power by law to amend, alter, modify or repeal the Northern Mariana Islands Territorial Income Tax.]

Section 602. [Awaiting proposals from MPSC Counsel on application of the Internal Revenue Code in the Marianas as a Federal tax.]

Section 60[3].

(a) The Northern Mariana Islands will not be included within the customs territory of the United States.

(b) The Government of the Northern Mariana Islands may, in a manner consistent with the international obligations of the United States,