



Revenue and Taxation Department of Finance

P.O. Box 5234 CHRB Saipan, MP 96950

TEL. (670) 664-1000 FAX. (670) 664-1015

TAX ANNOUNCEMENT 2022-2

Date : March 29, 2022

To : All CNMI Taxpayers

Re : Local Stimulus Payment Exempt from Earnings Tax

This tax announcement provides information and guidance regarding the Local Economic Impact Payment (LEIP).

CNMI Public Law 22-15, enacted March 18, 2022, amends 4 CMC Section 1202 to add subsection (e) that excludes the \$500.00 local stimulus payments from earnings tax. Subsection (e) states, “Stimulus payments received from the Commonwealth pursuant to the 2021 ARPA Local Stimulus Plan are not subject to the tax imposed under this section.”

Unlike the Economic Impact Payments (EIP), which are not taxable income and not reportable for income tax purposes, the LEIP is taxable under the Northern Marianas Territorial Income Tax. However, as stated above, Public Law 22-15 exempts the LEIP from **earnings tax**. The LEIP is includible in NMTIT and reported on Schedule 1CM, Line 8z as other income, but exempted from earnings tax.

Early Filers May Amend

Taxpayers who filed their 2021 Income Tax return prior to the enactment of Public Law 22-15 or the date of this announcement, should check with their tax preparers as soon as possible to see if they should amend their 2021 tax return. An amendment may cause delays in the issuance of refunds.

For more information, please contact the Division of Revenue and Taxation at (670) 664-1040 or by email at revtaxinfo@dof.gov.mp.