

REFERRED To: WM
(HOUSE)
11/12/2025
MEMO

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

November 6, 2025

Sen. Reg. Session, 2025

H. B. 24- 72

A BILL FOR AN ACT

To impose a remittance transfer tax within the Commonwealth of the Northern Mariana Islands equivalent to the federal excise tax under 26 U.S.C. § 4475, to ensure equitable revenue capture from outbound remittances, to strengthen compliance with federal fiscal policy, and for other purposes.

BE IT ENACTED BY THE 24TH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 **Section 1. Short Title.** This Act may be cited as the “CNMI Remittance
2 Transfer Tax Act of 2025.”

3 **Section 2. Findings and Purpose.** Fiscal conditions in the Commonwealth
4 continue to test the resilience of both government and households. Revenues
5 remain tight while the cost of essential services rises, placing pressure on the local
6 economy. In 2024, licensed money-service providers in the CNMI transmitted just
7 under one hundred million dollars abroad—more than half of the Commonwealth’s
8 total gross revenue for Fiscal Year 2026. While these remittances reflect generosity
9 and familial duty, they also mean that income earned through local labor and local
10 customers often exits the islands without first contributing to the community that
11 made those earnings possible. A modest, well-administered remittance-transfer tax

1 ensures that a small portion of these funds circulates within the CNMI economy
2 before leaving, strengthening local commerce and preserving the multiplier effect
3 of every dollar earned here.

4 Local alignment with emerging federal policy provides consistency,
5 fairness, and efficiency. The United States enacted 26 U.S.C. § 4475, establishing
6 a one-percent excise tax on outbound remittance transfers beginning January 1,
7 2026, collected by remittance providers under the definitions of the Electronic Fund
8 Transfer Act (15 U.S.C. § 1693o-1(g)). By mirroring that framework—but tailoring
9 it to CNMI realities—the Commonwealth prevents a continued “zero-percent
10 outflow,” harmonizes compliance expectations for banks and money-service
11 businesses, and uses the same digital and reporting infrastructure already required
12 federally. This coordination minimizes administrative cost and confusion for both
13 regulators and consumers.

14 Outward flows of income are a defining feature of the CNMI economy, and
15 this Act does not curtail the ability of residents to support families overseas.
16 Instead, it applies a small, transparent charge that turns a fraction of the outward
17 stream into reinvestment at home. The Department of Finance shall begin
18 rulemaking, coordination, and industry consultation immediately upon enactment
19 so that all providers are ready for collections to begin on July 1, 2026—six months
20 after the federal implementation. This deliberate sequencing allows the federal

1 system to stabilize first while giving local providers and consumers clear guidance
2 well in advance.

3 Revenue from this measure will flow directly back into the community but
4 will not be treated as General Revenue. To ensure that these proceeds are used for
5 their intended public purpose, they are established as Special Revenues to be
6 deposited into a dedicated CNMI Financial Literacy and Economic Resilience
7 Fund. Approximately one million dollars per year in receipts will be reserved for
8 programs that strengthen consumer protection, workforce readiness, and financial
9 education—initiatives that help working families keep more of what they earn and
10 improve local opportunity. In this way, the Commonwealth guarantees that the
11 revenue generated by this Act supports the long-term fiscal and social well-being
12 of its residents rather than becoming subject to automatic proportional
13 distributions.

14 Equity and enforcement are central to the Act’s design. Licensed remittance
15 businesses already maintain real-time digital reporting and can comply efficiently
16 with collection, certification, and quarterly remittance procedures. Coordination
17 with federal agencies will prevent double taxation, clarify exemptions, and ensure
18 uniform treatment across all providers. By beginning preparatory work upon
19 enactment, the Commonwealth eliminates unnecessary delay and ensures full
20 readiness for implementation on July 1, 2026.

1 Shared prosperity is the guiding purpose. Money earned through the labor,
 2 businesses, and customers of the Commonwealth should first strengthen the local
 3 community, not leave our islands at a zero-percent rate. By allowing a small portion
 4 of that locally generated income to circulate through CNMI households, shops, and
 5 services before departing abroad, this Act keeps more value working for our
 6 people—supporting employment, commerce, and fiscal stability—while still
 7 honoring the families who depend on remittances overseas. In doing so, the
 8 Commonwealth aligns with national policy, reinforces self-reliance, and ensures
 9 that prosperity created here continues to serve the people of the CNMI.

10 **Section 3. Enactment.** Subject to codification by the CNMI Law Revision
 11 Commission, the following provision is hereby enacted into law as a new Chapter
 12 15. “Remittance Transfer Tax” of Title 4 of the Commonwealth Code, Economic
 13 Resources, Division 1, Revenue and Taxation, which shall read as follows:

14 **“Chapter 15. Remittance Transfer Tax.**

15 **§ 101. Short Title.**

16 This Chapter may be cited as the *‘Remittance Transfer Tax Act of*
 17 *2025.’*

18 **§ 102. Imposition of Tax.**

19 (a) There is hereby imposed a tax equal to one percent (1%) of the
 20 amount of any remittance transfer initiated by a sender located in the
 21 Commonwealth to a recipient located outside the Commonwealth.

1 (b) The tax shall be collected by the remittance transfer provider at
2 the time of the transaction and remitted to the Department of Finance
3 in accordance with regulations issued under this Chapter.

4 **§ 103. Definitions.**

5 For purposes of this Chapter—

6 (1) “Remittance transfer” has the same meaning as provided in
7 Section 920(g) of the Electronic Fund Transfer Act (15 U.S.C. §
8 1693o-1(g)).

9 (2) “Sender” means a person located in the Commonwealth who
10 requests a remittance transfer through a remittance transfer provider.

11 (3) “Remittance transfer provider” means any person engaged in the
12 business of providing remittance transfers for a fee, including but
13 not limited to banks authorized under 4 CMC § 6512 and foreign
14 exchange dealers duly licensed under Commonwealth law.

15 **§ 104. Administration.**

16 (a) The Secretary of Finance shall administer, assess, and enforce
17 the provisions of this Chapter and shall promulgate rules and
18 regulations governing collection, remittance schedules, penalties,
19 and record-keeping requirements.

20 (b) The Secretary may adopt emergency regulations as necessary to
21 ensure timely implementation of this Chapter prior to July 1, 2026.

1 **§ 105. CNMI Financial Literacy and Economic Resilience Fund.**

2 (a) There is hereby established in the Commonwealth Treasury a
3 special revenue account to be known as the *CNMI Financial*
4 *Literacy and Economic Resilience Fund*.

5 (b) All proceeds collected under this Chapter shall be deposited into
6 this Fund and shall be considered Special Revenues of the
7 Commonwealth. These revenues shall not be deemed “General
8 Revenues” for purposes of Article XV, Section 1(c) of the
9 Constitution or any other statutory distribution formula.

10 (c) The Fund shall be appropriated consistent with the intent of this
11 Chapter, by the Legislature, to support programs promoting
12 financial literacy, workforce readiness, consumer education, and
13 local economic resilience.

14 (d) Funds in the account shall not lapse at the end of the fiscal year
15 and shall remain available until expended for the purposes of this
16 section.

17 **§ 106. Coordination with Federal Law.**

18 The Department of Finance shall coordinate with the Internal
19 Revenue Service to prevent double taxation of remittance
20 transactions subject to both federal and Commonwealth law.

21 **§ 107. Effective Date of Tax.**

1 The tax imposed by this Chapter shall apply to remittance transfers
2 made on or after July 1, 2026.”

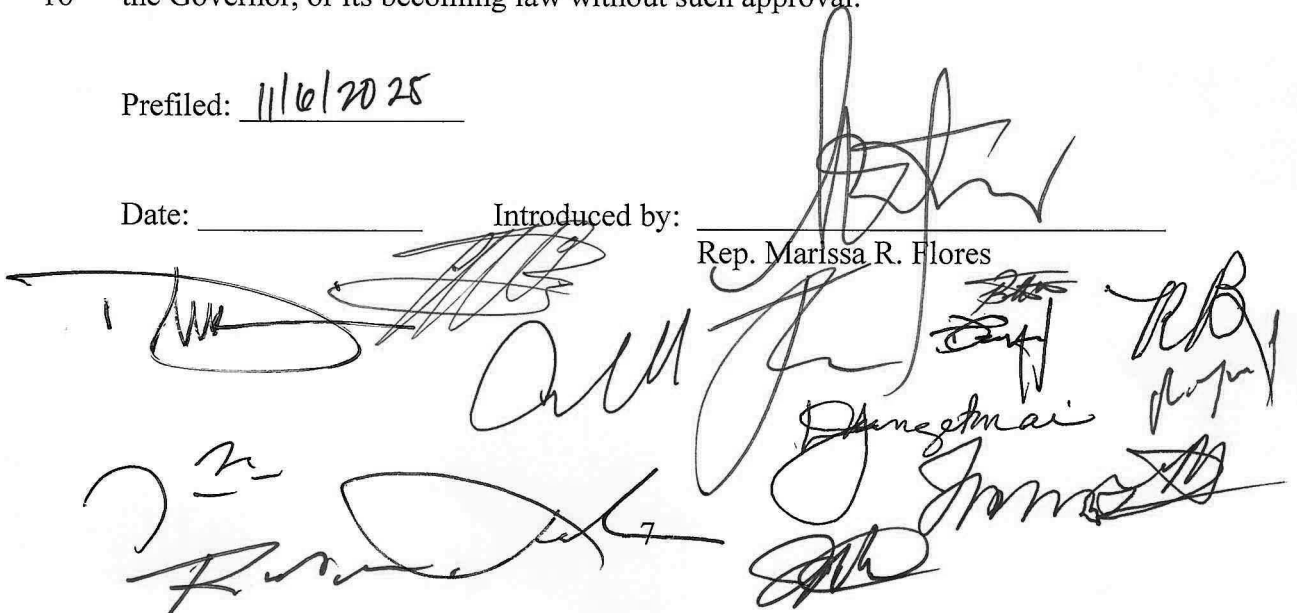
3 **Section 4. Severability.** If any provision of this Act or the application of
4 any such provision to any person or circumstance should be held invalid by a court
5 of competent jurisdiction, the remainder of this Act or the application of its
6 provisions to persons or circumstances other than those to which it is held invalid
7 shall not be affected thereby.

8 **Section 5. Savings Clause.** This Act and any repealer contained herein
9 shall not be construed as affecting any existing right acquired under contract or
10 acquired under statutes repealed or under any rule, regulation, or order adopted
11 under the statutes. Repealers contained in this Act shall not affect any proceeding
12 instituted under or pursuant to prior law. The enactment of the Act shall not have
13 the effect of terminating, or in any way modifying, any liability, civil or criminal,
14 which shall already be in existence on the date this Act becomes effective.

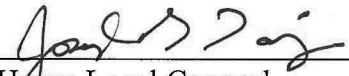
15 **Section 6. Effective Date.** This Act shall take effect upon its approval by
16 the Governor, or its becoming law without such approval.

Prefiled: 11/16/2025

Date: _____ Introduced by: _____
Rep. Marissa R. Flores



Reviewed for Legal Sufficiency by:



House Legal Counsel

Date: 11-5-25




HOUSE OF REPRESENTATIVES
TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE

EDMUND S. VILLAGOMEZ
SPEAKER

Honorable Jesus P. Mafnas Memorial Building
Capitol Hill
Saipan, MP 96950
cnmileg.net

MEMORANDUM

DATE : November 12, 2025
TO : CHAIRMAN JOHN PAUL P. SABLAN, WM COMMITTEE
FROM : SPEAKER EDMUND S. VILLAGOMEZ 
SUBJECT : Referral of Legislation

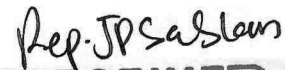
In accordance with Rule IX, Section 8, I hereby refer the following measure for the Ways and Means Committee's review:

H. B. NO. 24-72: To impose a remittance transfer tax within the Commonwealth of the Northern Mariana Islands equivalent to the federal excise tax under 26 U.S.C §4475, to ensure equitable revenue capture from outbound remittances, to strengthen compliance with federal fiscal policy; and for other purposes.

Introduced by Rep. Marissa R. Flores of Saipan, Precinct 3 (for herself, Representatives Roy C.A. Ada, Vincent R. Aldan, Daniel I. Aquino Jr., Blas Jonathan "BJ" T. Attao, Roman C. Benavente, Angelo A. Camacho, Diego V. F. Camacho, Joel C. Camacho, Joseph A. Flores, Thomas J. DIC. Manglona, Raymond U. Palacios, John Paul P. Sablan, Denita Kaipat Yangetmai, and Ralph N. Yumul) on November 6, 2025.

The Committee has 60 days to submit a written report on the legislation; therefore, I urge the Committee to review promptly the aforementioned legislation.

cc: Senate President
House Members
LB Director
House Clerk


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11/13/25 AMO