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P.L. 2006-64

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1 AN ACT

2  
3 to repeal all import tax exemptions granted to certain government agencies and statutory  
4 corporations; and for related matters.  
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7 BE IT ENACTED BY THE NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS:  
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9 Section 1. Short Title.

10 This Act may be cited as the Repeal of Government Entities Tax Exemptions Act, 2005.  
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12 Section 2. Amendments.

13 (1) Section 116 of the National Telecommunications Authority Act, 1990 is hereby  
14 amended to read as follows:

15 §116. Taxation.

16 All goods imported by the Authority, including goods imported for the provision of  
17 telecommunication services are subject to tax under the Import Duties Act, 1989.  
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19 (2) Section 817 of the Marshall Islands Development Bank Act 1988, is hereby amended to  
20 read as follows:

21 §817. Taxation

22 All goods imported by the Bank are subject to tax under the Import Duties Act, 1989.

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(3) Section 1413 of the Marshall Islands Visitors Authority Act 1997 is hereby amended to read as follows:

**§1413.     Taxation**

(1) Except as provided under Subsection (2) herein, the income, property and transactions of the Authority shall not be subject to any tax, rate, charge or impost under any other law.

(2) All goods imported by the Authority are subject to tax under the Import Duties Act, 1989.

(4) Section 1325 of the Tobolar Copra Processing Authority Act of 1992 is hereby amended to read as follows:

**§1325.     Taxation**

(1) Except as provided in subsection (2) herein, Tobolar, the Fund, and related transactions are not subject to any tax, rate, charge, fee, duty, or impost under any other law.

(2) All goods imported by the Authority are subject to tax under the Import Duties Act, 1989.

(5) Section 224 of the College of the Marshall Islands Act, 1992 is hereby amended to read

1 as follows:

2 **§224. Taxation**

3 (1) Except as provided under subsection (2) herein, the College and its assets,  
4 revenues, income, and property shall be exempt from all direct taxes imposed by the  
5 government and its political subdivisions.

6 (2) Subject to Subsection 3, all goods imported by the College are subject to tax under  
7 the Import Duties Act, 1989.

8 (3) Tax paid by the College under Subsection 2 shall be reimbursable on the basis that  
9 certification is provided –

10 (a) by the procurement officer of the school in respect of textbooks  
11 and other educational materials; and

12 (b) by the Head of the Project Management Unit in respect of building  
13 materials for projects –

14 to the satisfaction of the Secretary of Finance that the tax paid was in respect of goods  
15 purchased for the purposes stated in Subsections (a) and (b) above.

16 (4) The College shall be liable for employer's contributions to any social security, health  
17 fund, or pension system of the government in the manner provided by law.

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19 (6) Section 138 of the RMI Ports Authority Act, 2002 is hereby amended to read as follows:

20 **§138. Taxation**

1 (1) Except as provided under subsection (2) herein, the income, property and transactions  
2 of the Authority are not subject to tax.

3 (2) All goods imported by the Authority are subject to tax under the Import Duties Act, 1989.  
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5 (7) Section 125 of the Marshall Islands Marine Resources Authority Act, 1997 is hereby  
6 amended to read as follows:

7 **§125. Taxation**

8 (1) Except as set out under subsection (2) herein, the income, property and transactions of the  
9 Authority shall not be subject to any tax, rates or charges imposed under any other law.

10 (2) All goods imported by the Authority are subject to tax under the Import Duties Act, 1989.  
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12 (8) Section 237 of the Health Fund Act, 2002 is hereby repealed

13 **§237. Taxation**

14 (1) Except as provided under subsection (2) herein, the Health Fund income, property and all  
15 transactions of the Board shall not be subject to any tax, rates charges or impost under any law  
16 of the Republic, local governments or subdivisions thereof.

17 (2) All goods imported by the Health Services Board for the purposes of the Health Fund, are  
18 subject to tax under the Import Duties Act, 1989.  
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20 (9) Section 155 of the Marshall Islands Social Security Act, 1990 is hereby repealed.

1        **§155.    Taxation**

2        (1) Except as provided under sub-section (2) herein, the Fund, income, property and all  
3        transactions of the Administration shall not be subject to any tax, rates, charges, or impost  
4        under any law of the Republic or its subdivisions.

5        (2) All goods imported by the Administration are subject to tax under the Import Duties Act,  
6        1989.

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8        **(10)** Section 139 of the Environmental Protection Authority Act, is hereby repealed.

9        **§139.    Taxation**

10       (1) Except as provided under subsection (2) herein, the income, property and transactions of  
11       the Authority shall not be subject to any tax, rate, charge or impost under any law.

12       (2) All goods imported by the Authority are subject to tax under the Import Duties Act, 1989.  
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14       **(11)** Section 425 of the Shipping Corporation Act, 2004, is hereby amended to read as

15       follows:

16       **§425.    Taxation**

17       (1) Except as provided in subsection (2), the income, property and transactions of the  
18       Corporation are not subject to any taxes, rates or charges imposed under any other law.

19       (2) All goods imported by the Corporation are subject to tax under the Import Duties Act,  
20       1989.

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(12) Section 1528 of the Jaluit Atoll Economic Development Authority Act, 2000 is hereby amended to read as follows:

**§1528. Tax Exemption**

(1) Subject to Subsection (2) and (3) of this Section, the income, property, and transactions of the Authority shall not be subject to any tax, rate, charge, or impost under any law.

(2) Subsection (1) of this Section shall not apply in respect to any licensing fee or similar fee that is reasonably in proportion to the administrative expenses involved.

(3) All goods imported by the Authority are subject to tax under the Import Duties Act, 1989.

(13) Section 1628 of the Wotje Atoll Development Authority, 2002 is hereby amended to read as follows:

**§1628. Tax Exemption**

(1) Subject to subsections (2) and (3) of this Section, the income, property, and transactions of the Authority shall not be subject to any tax, rate, charge, or imposed under any law.

(2) Subsection (1) of this Section shall not apply in respect to any licensing fee or similar fee that is reasonably in proportion to the administrative expenses involved.

(3) All goods imported by the Authority are subject to tax under the Import Duties Act, 1989.

1 (14) Section 353 of the Education Act, 1991 is hereby amended to read as follows:

2 **§353. Taxation - Nonpublic Schools.**

3 (1) Except as provided under subsection (2) herein,

4 (a) the income, personal property and transactions of any such nonpublic school,  
5 exclusive of real property, shall not be subject to any tax, rate, charge or  
6 impost under any law; and

7 (b) the charge for public utilities used by any such nonpublic school for school  
8 purposes shall be set at a rate equivalent to the most favorable rate available to  
9 any user.

10 (2) Subject to Subsection 3 all goods imported by non-public schools are subject to tax  
11 under the Import Duties Act, 1989.

12 (3) Tax paid by non-public schools under Subsection 2 shall be reimbursable on the basis  
13 that certification is provided –

14 (a) by the procurement officer of the school in respect of textbooks  
15 and other educational materials; and

16 (b) by the Head of the Project Management Unit in respect of building  
17 materials for projects –

18 to the satisfaction of the Secretary of Finance that the tax paid was in respect of goods  
19 purchased for the purposes stated in Subsections (a) and (b) above.  
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21 **Section 3. Effective Date**

1 This Act shall take effect on the date of certification, in accordance with the Constitution  
2 and the Rules of Procedures of the Nitijela.

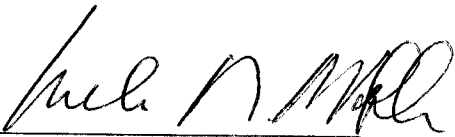
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4 **CERTIFICATE**

5 **I hereby certify:**

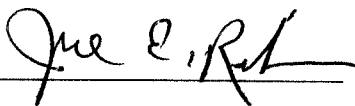
- 6
- 7 (1) That Nitijela Bill No: 107ND1 was passed by the Nitijela of the Republic of the Marshall
- 8 Islands on the 19<sup>th</sup> day of October, 2006; and
- 9 (2) That I am satisfied that Nitijela Bill No.: 107ND1 was passed in accordance with the
- 10 relevant provisions of the Constitution of the Republic of the Marshall Islands and the
- 11 Rules of Procedures of the Nitijela.

12  
13 I hereby place my signature before the Clerk this 5<sup>th</sup> day of December, 2006.

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15  
16 **Attest:**

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18  
19 **Ruben R. Zackhras**  
20 Vice-Speaker  
21 Nitijela of the Marshall Islands

22 

**Joe E. Riklon**  
Clerk  
Nitijela of the Marshall Islands