

P.L. 2007-90

AN ACT

To amend Section 120 and Section 122 of the Marshall Islands Income Tax Act 1989, in order to grant reciprocal exemptions from taxation to international shipping income.

BE IT ENACTED BY THE NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS:

Section 1. **Short Title**

This Act may be cited as the Income Tax (Amendment) Act, 2007.

Section 2. **Amendments**

(1) Section 120 Subsection (b) of the Marshall Islands Income Tax Act 1989 is hereby amended to read as follows:

§ 120. Interpretation.

(b) “non-resident person” means a person or body who is not permanently resident in the Republic of the Marshall Islands, or a business not registered in the Republic of the Marshall Islands, or an entity that carries on the business of operating ships in international traffic that is not incorporated in the Republic of the Marshall Islands and that does not have its central management and control, as determined by the place where its Board of Directors or equivalent body meets, in the Republic of the Marshall Islands, and who does not pay any taxes under Parts II or III of this Chapter including a firm, partnership, company or corporation, whether incorporated or unincorporated, or any other business entity.

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1
2 **(2) Section 122 Subsection (2) of the Marshall Islands Income Tax Act 1989 is**
3 **hereby amended to read as follows:**

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5
6 **§122. Persons, Organizations, and Entities Exempted.**

7
8 (2) The provisions of Part III and Part VI of this Chapter, and the taxes levied
9 thereunder, shall not apply to the revenue of a non-resident person earned in the
10 Marshall Islands from the operation of a ship in international traffic, if the country
11 where the non-resident person resides grants substantially similar tax relief for the
12 year to a person who is a resident of the Marshall Islands.

13 **(3) Section 122 of the Marshall Islands Income Tax Act 1989 is hereby amended**
14 **by inserting a new Subsection (3) to read as follows:**

15
16 (3) Prior to claiming an exemption under the provisions of this Section an application
17 must be made in the prescribed manner to the Secretary. Qualifying persons or
18 activities will be issued a certificate evidencing their status under this Section.

19
20 Section 3. **Effective Date**

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22 This Act shall take effect in accordance with the Constitution and the Rules of
23 Procedures of the Nitijela.

CERTIFICATE

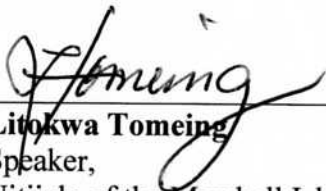
I hereby certify:

(1) That Nitijela Bill No: 147 was passed by the Nitijela of the Marshall Islands on the 25th day of September, 2007; and


(2) That I am satisfied that Nitijela Bill No: 147 was passed in accordance with the relevant provisions of the Constitution of the Republic of the Marshall Islands and the Rules of Procedures of the Nitijela.

I hereby place my signature before the Clerk this 29th day of October, 2007.

Attest:



Litokwa Tomeing
Speaker,
Nitijela of the Marshall Islands



Joe B. Riklon
Clerk,
Nitijela of the Marshall Islands

