

**TITLE 4 – LOCAL GOVERNMENT AFFAIRS
CHAPTER 3 - COPRA TAX**



Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

COPRA TAX ACT 1992

Arrangement of Sections

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**TITLE 4 – LOCAL GOVERNMENT AFFAIRS
CHAPTER 3 - COPRA TAX**



Republic of the Marshall Islands
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COPRA TAX ACT 1992

AN ACT to institute a tax on Copra sales to raise funds for use by Local Governments.

Commencement: September 23, 1992
Source: P.L.1992-27
Amended By: P.L. 1996-12 P.L. 1997-55 P.L. 1998-77

§301. Short Title.

This Chapter may be cited as the Copra Tax Act of 1992. [P.L. 1992-27, §1.]

§302. Purpose.

The revenues realized from the copra tax authorized in this Chapter shall be prorated and remitted to the local governments strictly for the following purposes:

- (a) copra purchases within the local government area, provided that any surplus realized from cash sales of copra must be devoted to the purposes as set out in this Section;
- (b) economic development programs within the local government area which may include, but are not limited to, seaweed cultivation, fisheries, agriculture, land and sea and management capabilities; and
- (c) contributions to Social Security on behalf of copra workers. [P.L. 1992-27, §2.]

§303. Tax on Copra.

Tobolar shall collect a tax of eight percent (8%) on the value of all copra delivered to it from within the Republic. [P.L. 1992-27, §3.]

§304. Tracking of Copra Production; Distribution of Tax Proceeds.

- (1) Tobolar shall maintain records which allows it to track copra production by Local Government area on a quarterly basis.
- (2) No later than 30 days after the close of each quarter of the fiscal year Tobolar shall deposit the proceeds of the tax in the Local Government Fund and provide an accounting on the source of the copra delivered in the prior quarter.
- (3) Tobolar shall disburse to each Local Government that portion of the prior quarters tax collections equal to that Local Government area's contribution to total domestic copra production for that quarter. [P.L. 1992-27, §4, amended by P.L. 1996-12, §2.]

§305. Audit Authority.

All aspects of the tax collection and disbursement shall be subject to audit by the Auditor-General. [P.L. 1992-27, §5.]

§306. Regulations Regarding Use of Funds.

The Local Governments shall, prior to the initial disbursement of funds under this Chapter, promulgate regulations that will assure appropriate accounting and use of funds by Local Governments. [P.L. 1992-27, §6, amended by P.L. 1996-12, §2.]

§307. Repeal of Current Local Government Taxes on Copra; Local Government Option.

- (1) That portion of any local government ordinance which, levies a tax upon copra is hereby repealed.
- (2) If, after one year from the effective date of this Chapter [23 September 1992], a local government believes that the funds it has received through this Chapter have not accomplished the purposes intended, that local government may, by duly enacted ordinance, opt to discontinue the collection of the tax with respect to the copra produced within the local government area. An ordinance adopted under this Section may

not become effective until the local government files a certification with the Minister of Internal Affairs that no encumbrance has been made against future receipt of funds generated by the eight percent (8%) copra tax. [P.L. 1992-27, §7.]

§308. Partial Repeat; Additional Local Options.

This Chapter is hereby repealed for those Local Governments who choose not to participate pursuant to the rules and procedures of their council. Before passing an ordinance whether to participate or not in the Copra Tax Act, a local government council shall conduct a public hearing and shall report the decision whether to participate or not in the Copra Tax Act to Tobolar and the Ministry of Internal and Social Welfare no later than March 31, 1998. If a local government fails to report the decision whether to participate or not in the Copra Tax Act to Tobolar and the Ministry of Internal and Social Welfare by March 31, 1998, then the Copra Tax Act is repealed as to that local government.