

A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by amending section 805 thereof, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1           Section 1. Section 805 of title 54 of the Code of the  
2 Federated States of Micronesia, as amended by Public Laws Nos. 10-  
3 68, 13-21 and 13-60, is hereby further amended to read as follows:

4           "Section 805. Distribution of revenues.

5                   (1) (a) The treasurer of the Federated States of  
6 Micronesia shall pay eighty percent of the net taxes  
7 collected pursuant to section 221(9) of this title and,  
8 beginning January 1, 2004 and continuing thereafter,  
9 fifty percent of all other net taxes collected pursuant  
10 to section 121, 141, and 221 of this title into the  
11 treasury of the State government to which the taxes are  
12 attributable for appropriation by the State legislature.

13                   (b) Twenty five percent of the amount remaining,  
14 after the transfer of funds pursuant to subsection 1(a)  
15 of this section, of the net taxes collected pursuant to  
16 subsection 221(1) of this title shall be placed in an  
17 account to be used solely for post-graduate school  
18 scholarships. The allottee of the scholarship funds  
19 shall be the President of the Federated States of  
20 Micronesia or his designee;

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1           (c) There is hereby created an 'Economic  
2           Development Fund'. Deposits shall be made to said fund  
3           at the end of each fiscal year to the extent that net  
4           taxes collected under section 221 of this title during  
5           the year just concluded, after deduction of the amounts  
6           required by parts (a) and (b) of this subsection, exceed  
7           the collections, calculated similarly, in fiscal year  
8           2004, provided that no such deposit shall be made if at  
9           the end of the fiscal year, the balance in said fund  
10           equals or exceeds \$1 million. Monies deposited in the  
11           Economic Development Fund shall be used only for the  
12           purpose of financing economic development projects and  
13           programs within the Federated States of Micronesia. The  
14           President of the Federated States of Micronesia shall be  
15           the allottee of funds deposited in the Economic  
16           Development Fund.

17           ~~[-(e)]~~(d) Except as specifically provided in parts (a),  
18           ~~[and]~~ (b) and (c) of this subsection, all net taxes  
19           collected shall be part of the General Fund of the  
20           Federated States of Micronesia, subject to appropriation  
21           by Congress pursuant to title 55 of the Code of the  
22           Federated States of Micronesia.

23           (2) 'Net taxes' as used in subsection (1) of this  
24           section means gross collections of taxes, penalties,  
25           interest, or other related charges less refunds."

1           Section 2. This act shall become law upon approval by the  
2 President of the Federated States of Micronesia or upon its  
3 becoming law without such approval.

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5 Date: 1/17/05

Introduced by: /s/ Sabino S. Asor  
Sabino S. Asor

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