

A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by amending sections 143 and 805 thereof, to provide for distribution to the states of proceeds from the gross revenues tax, and for other purposes.

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

1 Section 1. Section 143 of title 54 of the Code of the
2 Federated States of Micronesia is hereby amended to read as
3 follows:

4 "Section 143. Returns and payment of tax on gross
5 revenue.

6 (1) Every business, on or before the last day
7 of the month following the close of each quarter,
8 to wit: on or before April 30, July 31, October 31,
9 January 31, shall pay, based on its gross revenue
10 of the preceding quarter, the amount of tax imposed
11 by this chapter to the National revenue officer in
12 the State in which the business has its principal
13 place of business in the Federated States of
14 Micronesia, or to the Secretary.

15 (2) Each business shall, on or before the
16 date provided for payment of tax under this
17 section, make a full, true, and correct return
18 showing all such gross revenue received, accrued,

1 or earned, and the amounts deducted and set aside
2 on account thereof during the preceding quarter.

3 (3) The return shall be filed at the place in
4 this section prescribed for payment of the tax and
5 shall include such other information as shall be
6 required or prescribed by the Secretary. The
7 Secretary, for good cause, may extend the time for
8 making payments and returns, but not beyond the
9 last day of the first month succeeding the regular
10 due date thereof.

11 (4) The Secretary may delegate his powers and
12 responsibilities under this section to any state
13 that, pursuant to section 805(1)(c) of this title,
14 assumes responsibility for collection of taxes
15 under section 141 of this title, and may direct
16 that tax returns and tax payments pursuant to
17 section 141 be directed to the state government."

18 Section 2. Section 805 of title 54 of the Code of the
19 Federated States of Micronesia, as amended by Public Laws Nos. 10-
20 68, 13-21 and 13-60, is hereby further amended to read as follows:

21 ""Section 805. Distribution of revenues.

22 (1) (a) Except as provided in subparagraph (1) (c) of
23 this section, [F]the treasurer of the Federated States
24 of
25 Micronesia shall pay eighty percent of the net taxes
26 collected pursuant to section 221(9) of this title and,

1 beginning January 1, 2004 and continuing thereafter,
2 fifty percent of all other net taxes collected pursuant
3 to section 121, 141, and 221 of this title into the
4 treasury of the State government to which the taxes are
5 attributable for appropriation by the State legislature.

6 (b) Twenty five percent of the amount remaining,
7 after the transfer of funds pursuant to subsection 1(a)
8 of this section, of the net taxes collected pursuant to
9 subsection 221(1) of this title shall be placed in an
10 account to be used solely for post-graduate school
11 scholarships. The allottee of the scholarship funds
12 shall be the President of the Federated States of
13 Micronesia or his designee;

14 (c) Any state may advise the Secretary in writing
15 that, on or after October 1, 2007, the state will assume
16 full responsibility, at its own expense, for collection
17 of those taxes under section 141 of this title that are
18 attributable to that state. Following the assumption by
19 a state of responsibility for collection of such taxes,
20 it may retain all taxes that it collects under that
21 section.

22 [(e)] (d) Except as specifically provided in parts (a)
23 [~~and~~] (b), and (c) of this subsection, all net taxes
24 collected shall be part of the General Fund of the
25 Federated States of Micronesia, subject to appropriation

1 by Congress pursuant to title 55 of the Code of the
2 Federated States of Micronesia."

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5 Section 3. This act shall become law upon approval by the
6 President of the Federated States of Micronesia or upon it
7 becoming law without such approval.

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9 Date: 5/20/05

Introduced by: /s/ Isaac V. Figir
Isaac V. Figir

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