

STANDING COMMITTEE REPORT NO. 16-138

RE: C.B. NO. 16-148/W&M

SUBJECT: REMOVING GROSS REVENUES TAX EXEMPTION
OF FSM TELECOM

MARCH 29, 2011

The Honorable Isaac V. Figir
Speaker, Sixteenth Congress
Federated States of Micronesia
Sixth Special Session, 2011

Dear Mr. Speaker:

Your Committee on Ways and Means, to which was jointly referred C.B. No. 16-148, entitled:

"A BILL FOR AN ACT TO FURTHER AMEND TITLE 21 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED, BY AMENDING SECTION 208 THEREOF FOR THE PURPOSE OF MAKING THE TELECOMMUNICATIONS CORPORATION SUBJECT TO THE GROSS REVENUE TAX, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

The intent and purpose of the bill are expressed in its title. The FSM Telecommunications Corporation (FSMTC) is currently exempt from paying the Gross Revenues Tax (GRT); the subject bill, C.B. No. 16-148, proposes to remove that exemption.

Your Committee on Transportation and Communication conducted a hearing on the subject bill, and has reported on their findings and recommendations in Standing Committee Report No. 16-132, adopted by Congress on March 28, 2011.

Your Committee on Ways and Means concurs with the findings and recommendations in Standing Committee Report No. 16-136 and is in accord with the intent and purpose of C.B. No. 16-148. Your Committee on Ways and Means recommends its passage on First Reading, and that it be placed on the calendar for Second Reading in the form attached hereto as C.B. No. 16-148.

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Respectfully submitted,

/s/ Dohsis Halbert
Dohsis Halbert, chairman

Claude H. Phillip, vice chairman

/s/ Joseph J. Urusemal
Joseph J. Urusemal, member

Setiro Paul, member

/s/ Peter S. Sitan
Peter S. Sitan, member

/s/ Roger S. Mori
Roger S. Mori, member

/s/ Dion G. Neth
Dion G. Neth, member