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A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 10-68, 13-21, 13-60, and 15-24, by amending section 805 thereof, to provide scholarships for graduate school degrees or full-time post-secondary courses of study leading to Commercial Federal Aviation Administration (FAA) licenses, ratings and certifications, to provide a portion of the taxes on alcohol from the National share to fund these graduate school scholarships at the State level in proportion to the taxes collected in the respective State, to create an effective date, 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.  
3 10-68, 13-21, 13-60 and 15-24, is hereby further amended to read  
4 as follows:

5           "Section 805. Distribution of revenues.

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

14                   (b) Twenty five percent of the amount remaining  
15 National share, after the transfer of funds pursuant to  
16 subsection 1 (a) of this section, of the net taxes collected  
17 pursuant to subsection 221 (1) of this title shall be placed

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1 in an account to be used solely for [~~post~~] graduate school  
2 scholarships or full-time post-secondary courses of study  
3 leading to commercial Federal Aviation Administration (FAA)  
4 licenses, ratings and certifications;

5 (c) Fifty percent of the amount remaining National  
6 share, after the transfer of funds pursuant to subsection 1  
7 (a) of this section, of the net taxes collected pursuant to  
8 subsection 221 (5), (6) and (7) of this title shall be  
9 placed in an account to be used solely for graduate school  
10 scholarships or full-time post-secondary courses of study  
11 leading to commercial Federal Aviation Administration (FAA)  
12 licenses, ratings and certifications, the scholarship funds  
13 available under this subsection shall be transferred to the  
14 four states in proportion to the taxes attributable to the  
15 respective state for use only for the scholarships set forth  
16 in this subsection, the allottee for the states'  
17 scholarships shall be the respective governor for each  
18 State;

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

24 (2) 'Net taxes' as used in subsection (1) of this  
25 section means gross collections of taxes, penalties,

1 interest, or other related charges less refunds."

2 Section 2. Effective date. This act shall take effect on  
3 October 1, 2012.

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

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8 Date: 2/11/12

Introduced by: /s/ Joseph J. Urusemal  
Joseph J. Urusemal

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