

A BILL FOR AN ACT

To further amend section 805 of 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, for the purpose of funding the Social Security Retirement Fund with corporate income tax revenues, 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  
4   read 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  
9   and, beginning January 1, 2004 and continuing  
10   thereafter, fifty percent of all other net taxes  
11   collected pursuant to sections 121, 141, and 221 of  
12   this title into the treasury of the State government  
13   to which the taxes are attributable for appropriation  
14   by the State legislature.

15                   (b) Twenty-five percent of the amount  
16   remaining, after the transfer of funds pursuant to  
17   subsection (1)(a) of this section, of the net taxes  
18   collected pursuant to subsection 221(1) of this title

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1 shall be placed in an account to be used solely for  
2 post-graduate school scholarships or full-time post-  
3 secondary courses of study leading to commercial  
4 Federal Aviation Administration (FAA) licenses,  
5 ratings and certifications. The allottee of the  
6 scholarship funds shall be the President of the  
7 Federated States of Micronesia or his designee;

8 (c) Beginning October 1, 2011, the treasurer  
9 of the Federated States of Micronesia shall pay one  
10 hundred percent of net taxes collected pursuant to  
11 section 321 of this title to the Federated States of  
12 Micronesia Social Security Retirement Fund  
13 established by section 1001 of title 53 of the Code  
14 of the Federated States of Micronesia;

15 [~~(c)~~](d) Except as specifically provided in [~~parts~~  
16 ~~(a) and (b)~~] subsections (1)(a), (1)(b) and, (1)(c)  
17 of this [~~sub~~]section, all net taxes collected shall  
18 be part of the General Fund of the Federated States  
19 of Micronesia, subject to appropriation by Congress  
20 pursuant to title 55 of the Code of the Federated  
21 States of Micronesia.

22 (2) 'Net taxes' as used in subsection (1) of this  
23 section means gross collections of taxes, penalties,  
24 interest, or other related charges less refunds."  
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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: 5/19/11

Introduced by: /s/ Tony H. Otto  
Tony H. Otto

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