

STANDING COMMITTEE REPORT NO. 19-01

RE: C.A. NO. 18-125 (P.C. NO. 18-491)/W&M

SUBJECT: VETO OF CONGRESSIONAL ACT NO. 18-125

MAY 10, 2015

The Honorable Wesley W. Simina
Speaker, Nineteenth Congress
Federated States of Micronesia
First Regular Session, 2015

Dear Mr. Speaker:

Your Committee on Ways & Means, to which was referred Presidential Communication 18-491, regarding the veto of Congressional Act 18-125, entitled:

"AN ACT TO REPEAL PUBLIC LAW NO. 16-75, WHICH ESTABLISHED A FEDERATED STATES OF MICRONESIA UNIFIED REVENUE AUTHORITY, IN ITS ENTIRETY, ALLOWING FOR A THREE MONTH TRANSITION PERIOD, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

The intent and purpose of this act are expressed in its title.

Your Committee has reviewed Congressional Act 18-125 and the accompanying veto message (P.C. No. 18-491). Your Committee did not find any legal impediments or drafting errors in the Act. Your Committee has determined that the veto is purely based on policy decision.

Your Committee would like to note that while the intent of this bill is to repeal the Unified Revenue Authority (URA), Congress remains supportive of the Tax Reform movement.

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Your Committee points out that implementation of the URA without the other key components of the Tax Reform in place not only frustrates the efforts of tax reform but requires a tax collection scheme which at the very least borders on unconstitutionality.

CONCLUSION

Your Committee has reviewed the veto of Congressional Act 18-125 and the veto message. Your Committee finds that the decision made by the Executive was made based on policy and not on a violation of the law. Your Committee disagrees with this policy decision and recommends overriding the veto of Congressional Act No. 18-125.

Respectfully submitted,

/s/ Isaac V. Figir
Isaac V. Figir, chairman

/s/ Paliknoa K. Welly
Paliknoa K. Welly, member

/s/ Joseph J. Urusemal
Joseph J. Urusemal, member
Do Not Concur

Bonsiano F. Nethon, member

/s/ David W. Panuelo
David W. Panuelo, member

/s/ Victor Gouland
Victor Gouland, member

/s/ Tiwiter Aritos
Tiwiter Aritos, member