



The President
Palikir, Pohnpei
Federated States of Micronesia

January 17, 2013

The Honorable Isaac V. Figir
Speaker
17th FSM Congress
Palikir, Pohnpei FM 96941

PRESIDENTIAL COMM. NO. 17-360
FSM CONGRESS

Dear Speaker Figir:

I am pleased to transmit the following Congressional Act, which I signed to become Public Law No. 17-73:


Congressional Act No. 17-73, entitled: "AN ACT TO FURTHER AMEND SECTION 352 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED BY PUBLIC LAW NO. 16-52, TO IMPROVE THE PROCEDURE FOR CORPORATE INCOME TAX PAYMENT, AND FOR OTHER PURPOSES."

The Act introduces needed improvement in the registration of major corporations. In particular, the frequency of tax payments is reduced from three to two, resulting in administrative convenience on the part of major corporations that are required to file tax returns and pay the correct amount of tax due with less paper works that normally with preparing the returns.

I thank Congress for its expenditures action on this matter.

With warm personal regards, I remain,

Sincerely,



Manny Mori
President

Enclosures:

Xc: Chief Justice, FSM Supreme Court
Secretary, Department of Justice
Director, Office of SBOC
Legislative Council, CFSM
Library, CFSM
PIO, FSM





CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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Office of the Chief Clerk

January 10, 2013

His Excellency Manny Mori
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear President Mori:

I have the honor to transmit herewith Congressional Act No. 17-73, "AN ACT TO FURTHER AMEND SECTION 352 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED BY PUBLIC LAW NO. 16-52, TO IMPROVE THE PROCEDURE FOR CORPORATE INCOME TAX PAYMENT, AND FOR OTHER PURPOSES.", which was passed by the Seventeenth Congress of the Federated States of Micronesia, Sixth Regular Session, 2013, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures

PRESIDENTIAL COMM. NO. 17-360
FSM CONGRESS





PRESIDENTIAL COMM. NO. 17360
FSM CONGRESS

SEVENTEENTH CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
SIXTH REGULAR SESSION
JANUARY 7 – 26, 2013

PUBLIC LAW No. 17- 73

An Act

TO FURTHER AMEND SECTION 352 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED BY PUBLIC LAW NO. 16-52, TO IMPROVE THE PROCEDURE FOR CORPORATE INCOME TAX PAYMENT, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: FLORENCIO S. HARPER (BY REQUEST)

DATE: MAY 24, 2012

REFERRED TO: COMMITTEES ON WAYS AND MEANS &
RESOURCES AND DEVELOPMENT

WITHDRAWN – NOVEMBER 26, 2012

FIRST READING: NOVEMBER 26, 2012

SECOND READING: JANUARY 9, 2013

A handwritten signature in blue ink, appearing to read "Liwiana Ramon Ioanis", is written over a horizontal line.

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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Office of the Speaker

PRESIDENTIAL COMM. NO. A-360
FSM CONGRESS

ACT NO. 17-73

(CONGRESSIONAL BILL NO. 17-146)

We hereby certify that on January 9 the foregoing act passed Second and Final Reading of the Seventeenth Congress of the Federated States of Micronesia, Sixth Regular Session, 2013, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

A handwritten signature in blue ink, appearing to read "Isaac V. Figir".

Isaac V. Figir
Speaker
Congress of the
Federated States of Micronesia

A handwritten signature in blue ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk
Congress of the
Federated States of Micronesia

PUBLIC LAW No. 17-73

AN ACT

To further amend section 352 of title 54 of the Code of the Federated States of Micronesia, as amended by Public Law No. 16-52, to improve the procedure for corporate income tax payment, and for other purposes.

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

1 Section 1. Section 352 of title 54 of the Code of the
2 Federated States of Micronesia, as amended by Public Law No.
3 16-52, is hereby further amended to read as follows:

4 "Section 352. Payment of tax due. Taxes shall be paid
5 as follows:

6 (1) A major corporation shall, pay fifty percent
7 (50%) of the tax it paid for the income of the previous
8 fiscal year, if any, hereinafter referred to as "Tax
9 Deposit", to the FSM by the end of the eighth (8th) month
10 of the current fiscal year.

11 (2) A major corporation which pays an amount less
12 than the Tax Deposit shall pay interest on the
13 delinquent tax balance of one-half of one percent (0.5%)
14 for each full month until the full amount is paid.

15 (3) A major corporation that does not have a previous
16 fiscal year to determine its Tax Deposit either because
17 it is newly formed or is redomesticating into the FSM,
18 be exempt from the payment of Tax Deposit and any filing
19 requirements pertaining to the Tax Deposit.

20 (4) A major corporation shall complete and submit to

PUBLIC LAW No. 17-73

1 the Department of Finance and Administration an annual
2 statement declaring the taxable income with permitted
3 deductions and exemptions, hereinafter referred to as
4 "Tax Return", by the last business day of the sixth
5 month period following the last day of the major
6 corporation's fiscal year. The annual statement shall
7 be accompanied by one of the following:

8 (a) Any additional tax payment, after the
9 subtraction of the Tax Deposit, due as shown on the Tax
10 Return of the major corporation shall be paid by the
11 last business day of the sixth month period following
12 the last day of the major corporation's fiscal year.

13 (b) If the major corporation pays, including the
14 Tax Deposit by the end of the eighth (8th) month during
15 the fiscal year, as per sub-section A above, an amount
16 less than the tax due as shown on the annual tax return
17 by the last business day of the six month period
18 following the last day of the corporation's fiscal year,
19 it shall pay interest on the delinquent tax balance of
20 one half of one percent (0.5%) for each full month until
21 the full amount is paid.

22 (5) Should the Tax Deposit paid by the major
23 corporation exceed the total annual income tax amount
24 shown on the Tax Return resulting in overpayment of tax,
25 then the major corporation shall be entitled to their

PUBLIC LAW NO. 17-73

1 rights conferred under section 332, chapter 3 of title
2 54 of the Code of the Federated States of Micronesia.

3 The major corporation shall apply to the Department of
4 Finance and Administration for either of the following
5 tax treatment options provided under Section 332 by
6 indicating their choice in the Tax Return form:

7 (a) To have the overpaid tax amount refunded in
8 full, in which case, the Department of Finance and
9 Administration shall credit the major corporation's bank
10 account within a two (2) month period from the last
11 business day of the sixth month period following the
12 last day of the major corporation's fiscal year;

13 (b) To have the overpaid tax amount credited to
14 any tax payments by the major corporation to the
15 Federated States of Micronesia."

PUBLIC LAW NO. 17-73

Section 2. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

January 17, 2013

Manny Mori
President
Federated States of Micronesia