

A BILL FOR AN ACT

To amend sections 121, 141, and 201 of title 54 of the Code of the Federated States of Micronesia to change certain rates of taxation within the Federated States of Micronesia, and for other purposes.

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

1 Section 1. Section 121 of title 54 of the Code of the
2 Federated States of Micronesia is hereby amended to read as follows:

3 "Section 121. Tax on wages and salaries. There shall
4 be assessed, levied, collected, and paid a tax of ~~\$1x~~
5 7.5 percent upon the first \$11,000 and ~~14~~ 14 percent
6 upon the amount over the first \$11,000 of all wages and
7 salaries received by every employee, as defined, except
8 as provided in section 122 of this chapter."

9 Section 2. Section 141 of title 54 of the Code
10 of the Federated States of Micronesia is hereby amended to read
11 as follows:

12 "Section 141. Tax on gross revenues; Exemption.

13 (1) There shall be assessed, levied, collected, and
14 paid a tax of ~~\$80~~ \$100 per year upon that portion of the
15 amount of gross revenues earned by every business subject
16 to the provisions of this chapter which does not
17 exceed \$10,000 per year.

18 (2) There shall be assessed, levied, collected,
19 and paid a tax of ~~4.2~~ 4.2 percent per year upon that
20 portion of the amount of gross revenues earned by every
21 business subject to the provisions of this chapter which
22 is in excess of \$10,000 per year.

23 (3) Businesses which earn gross revenues of not
24 more than \$2,000 per year are exempt from taxation under
25 this section. The deduction shall be claimed by the

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1 business by filing for a refund under the provisions
2 of sections 122 and 123 of this chapter."

3 Section 3. Section 201 of title 54 of the Code of the
4 Federated States of Micronesia is hereby amended to read as
5 follows:

6 "Section 201. Import taxes - Levy and rates. The
7 following import taxes are hereby levied on all products
8 specified herein which are imported into the Federated
9 States of Micronesia for resale except that the taxes
10 levied under subsections (1), (2), (5), (6), and (7)
11 of this section shall apply to products which are
12 imported into the Federated States of Micronesia for
13 personal use and consumption as well as for resale:

14 (1) cigarettes, at the rate of ~~seven~~ 10 cents per
15 every ~~twenty~~ 20 cigarettes, except that any person may
16 bring into any State of the Federated States of Micronesia
17 up to one carton or ~~two hundred~~ 200 cigarettes per
18 trip tax-free, if such cigarettes are for that person's
19 use and consumption and not for resale;

20 (2) tobacco, other than cigarettes, at the rate of
21 ~~fifty~~ 70 percent ad valorem, except that any person may
22 bring into any State of the Federated States of Micronesia
23 up to one pound of tobacco or ~~twenty~~ 20 cigars per trip
24 tax-free, if such tobacco products are for that person's
25 use and consumption and not for resale;

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1 (3) perfumery, cosmetics, and toiletries,
2 including cologne and other toilet waters, articles of
3 perfumery, whether in sachets or otherwise, and all
4 preparations used as applications to the hair or skin,
5 lipsticks, pomades, powders, and other toilet preparations
6 not having medicinal properties, at the rate of ~~twenty~~
7 ~~five~~ 35 percent ad valorem;

8 (4) soft drinks and nonalcoholic beverages, at
9 the rate of ~~two~~ 3 cents on each ~~twelve~~ 12 fluid ounces
10 or fractional part thereof;

11 (5) beer and malt beverages, at the rate of ~~four~~
12 6 cents per can or bottle of ~~twelve~~ 12 fluid ounces or
13 fractional part thereof;

14 (6) distilled alcoholic beverages, at the rate of
15 ~~seven dollars~~ \$20 per wine gallon, ~~except that any person~~
16 ~~permitted by applicable state law to possess, consume,~~
17 ~~and use distilled alcoholic beverages, may bring into such~~
18 ~~state of the Federated States tax free, an amount of~~
19 ~~liquor not to exceed twofifths of a wine gallon per trip,~~
20 ~~if such liquor is for his personal use and consumption~~
21 ~~and not for resale;~~

22 (7) wine, at the rate of ~~two dollars~~ \$7 per wine
23 gallon, except that this tax shall not apply to any
24 religious organization which is importing or receiving
25 into the Federated States sacramental wine for use

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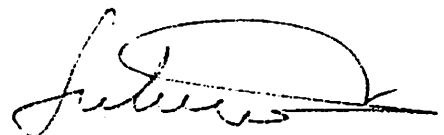
1 in the religious rites of such organization;
2 (8) foodstuffs for human consumption, at the rate
3 of ~~one~~ 1.5 percent ad valorem;
4 (9) gasoline and diesel fuel, at the rate of ~~five~~
5 5 cents per gallon; and
6 (10) all other imported products, except those
7 specified above, at the rate of ~~three~~ 4 percent ad
8 valorem."

9 Section 4. This act shall become law upon approval by the
10 President of the Federated States of Micronesia or upon its
11 becoming law without such approval and shall take effect on
12 January 1, 1983.

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14 Date: 10/1/82

Introduced by:


Luke M. Tman
(by request)

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