A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by further amending section 805, as amended by Public Laws Nos. 7-41 and 9-139, to provide that the States shall receive eighty percent of net taxes collected and to modify the definition of costs of administration, and for other purposes.

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

1. Section 805 of title 54 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 7-41 and 9-139, is hereby further amended to read as follows:

   "Section 805. Distribution of revenues.

(1) The treasurer of the Federated States of Micronesia shall pay eighty percent the following shares of the net taxes collected pursuant to sections 221/93, 221/94, and fifty percent of any other net taxes collected pursuant to sections 121, 141, and 221 of this title into the treasury of the State government to which the taxes are attributable for appropriation by the State legislature:

(a) fifty percent of the net taxes collected pursuant to each such section, without restriction; and

(b) thirty percent of the net taxes collected pursuant to each such section, for purposes other than expenses related to personnel, travel, training or vehicle purchase or rental.

(2) ‘Net taxes’ as used in subsection (1) of this section means gross collections of taxes, penalties, interest, or other related charges less refunds and less the cost of administration.

(3) ‘Cost of administration’ as used in..."
subsection (2) of this section means the cost
determined to be allocatable to each State by the
Congress of the Federated States of Micronesia when
making appropriations for the operating expenses of
the Customs and Revenue Division.

(4) The revenue office in each State may
administer the taxes of the States in which it is
located, but those duties shall not interfere with
the administration of taxes imposed by the laws of
the Federated States of Micronesia. All costs in
excess of those funded by appropriations of the
Congress of the Federated States of Micronesia
required for the administration of State taxes shall
be borne entirely by the State."

Section 2. This act shall take effect on the first day
of the fiscal year following its becoming law.

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

Date: 5/12/97

Introduced by: Isaac V. Figir