A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by adding a new section 125 thereof, for the purpose of exempting from taxation up to $500 of wages or salaries received by a person employed under contract to the National Election Commission if that person is so employed less than seven days in a single tax year, and for other purposes.

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

Section 1. Title 54 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 125 to read as follows:

"Section 125. National Election Employee Tax Exemption.

(1) Notwithstanding any other provision of this title, wages or salaries received by a person employed by the National Government of the Federated States of Micronesia under contract(s) to the National Election Commission shall be exempt from taxation and from any tax reporting requirement regarding income received therefrom if:

(a) such person is employed pursuant to such contract(s) for not more than seven days during the tax year; and

(b) such person's aggregate income from such contract(s) shall not total more than $500 during such tax year."

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: 11/25/98

Introduced by: _______