TWELFTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FIRST SPECIAL SESSION, 2001

C.B. NO. <u>12-26</u>

A BILL FOR AN ACT

To further amend title 53 of the Code of the Federated States of Micronesia, as amended, by amending section 704 to permit tax information sharing between the Department of Finance and Administration and the Social Security Administration, and for other purposes.

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

Section 1. Section 704 of title 53 of the Code of the Federated 1 States of Micronesia is hereby amended to read as follows: 2 "Section 704. Maintenance of records - Disclosure of 3 4 records. (1) The Administrator shall receive and maintain files and 5 6 records of all employers and all employees subject to this 7 subtitle. Such records shall not be disclosed to any person 8 except as may be required in the administration of this 9 subtitle or in connection with a hearing conducted in accordance with the provisions of this subtitle. 10 (2) Notwithstanding the foregoing or any other provision of 11 12 law, the Administrator, the Secretary of the Department of Finance and Administration, and their employees, are 13 14 authorized and encouraged to exchange tax information with one another for the purpose of cross-matching taxpayer 15 16 returns and records and identifying noncompliance with this title or with other tax statutes. Information received by an 17

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agency pursuant to the foregoing sentence shall be subject to the confidentiality rules of that receiving agency." Section 2. This act shall become law upon approval by the 4 President of the Federated States of Micronesia or upon its becoming law without such approval. Date: _____ Introduced by: ___ Joseph J. Urusumal (by request)

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1