A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by amending sections 143 and 805 thereof, to provide for distribution to the states of proceeds from the gross revenues tax, and for other purposes.

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

Section 1. Section 143 of title 54 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

“Section 143. Returns and payment of tax on gross revenue.

(1) Every business, on or before the last day of the month following the close of each quarter, to wit: on or before April 30, July 31, October 31, January 31, shall pay, based on its gross revenue of the preceding quarter, the amount of tax imposed by this chapter to the National revenue officer in the State in which the business has its principal place of business in the Federated States of Micronesia, or to the Secretary.

(2) Each business shall, on or before the date provided for payment of tax under this section, make a full, true, and correct return showing all such gross revenue received, accrued,
or earned, and the amounts deducted and set aside on account thereof during the preceding quarter.

(3) The return shall be filed at the place in this section prescribed for payment of the tax and shall include such other information as shall be required or prescribed by the Secretary. The Secretary, for good cause, may extend the time for making payments and returns, but not beyond the last day of the first month succeeding the regular due date thereof.

(4) The Secretary may delegate his powers and responsibilities under this section to any state that, pursuant to section 805(1)(c) of this title, assumes responsibility for collection of taxes under section 141 of this title, and may direct that tax returns and tax payments pursuant to section 141 be directed to the state government.”

Section 2. Section 805 of title 54 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 10-68, 13-21 and 13-60, is hereby further amended to read as follows:

“Section 805. Distribution of revenues.

(1)(a) Except as provided in subparagraph (1)(c) of this section, the treasurer of the Federated States of Micronesia shall pay eighty percent of the net taxes collected pursuant to section 221(9) of this title and,
beginning January 1, 2004 and continuing thereafter,

fifty percent of all other net taxes collected pursuant

to section 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.

(b) Twenty five percent of the amount remaining,

after the transfer of funds pursuant to subsection 1(a)

of this section, of the net taxes collected pursuant to

subsection 221(1) of this title shall be placed in an

account to be used solely for post-graduate school

scholarships. The allottee of the scholarship funds

shall be the President of the Federated States of

Micronesia or his designee;

(c) Any state may advise the Secretary in writing

that, on or after October 1, 2007, the state will assume

full responsibility, at its own expense, for collection

of those taxes under section 141 of this title that are

attributable to that state. Following the assumption by

a state of responsibility for collection of such taxes,

it may retain all taxes that it collects under that

section.

[(e)] (d) Except as specifically provided in parts (a)

[and] (b), and (c) of this subsection, all net taxes

collected shall be part of the General Fund of the

Federated States of Micronesia, subject to appropriation
by Congress pursuant to title 55 of the Code of the
Federated States of Micronesia."

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

Date: 5/20/05
Introduced by: /s/ Isaac V. Figir
Isaac V. Figir