

A BILL FOR AN ACT

To further amend title 21 of the Code of the Federated States of Micronesia, as amended, by amending section 208 thereof for the purpose of making the Telecommunications Corporation subject to the Gross Revenues Tax, and for other purposes.

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

1 Section 1. Section 208 of title 21 of the Code of the
2 Federated States of Micronesia, as amended by Public Law No. 11-
3 26, is hereby further amended to read as follows:

4 "Section 208. Tax Liability

5 The Corporation shall exist and operate solely for the
6 benefit of the public and shall be exempt from any taxes
7 or assessments except the following: (1) import taxes or
8 assessments on any of its property, operations or
9 activities, and (2) gross revenues tax. Nothing herein
10 shall be deemed to exempt employees and independent
11 contractors of the Corporation from tax liability for
12 services rendered to the Corporation; and the
13 corporation shall be liable for employers contributions
14 to the Social Security System of the Federated States of
15 Micronesia in the manner provided by law."

16

17

18

19

20 Section 2. This act shall become law upon approval by the

1 President of the Federated States of Micronesia or upon its
2 becoming law without such approval.

3

4 Date: 9/25/08

Introduced by: /s/ Joe N. Suka

Joe N. Suka

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24