

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 Revenue 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.  
3           11-26, is hereby further amended to read as follows:

4                     "Section 208. Tax Liability

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

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19           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.

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4 Date: 10/1/10

Introduced by: /s/ Dion G. Neth

Dion G. Neth

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