A BILL FOR AN ACT

To amend title 21 of the Code of the Federated States of Micronesia, by further amending section 208, as amended by Public Laws Nos. 11-26 and 17-03, for the purpose of making the Telecommunications Corporation subject to any tax imposed by law, 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
- 2 the Federated States of Micronesia, as amended by Public
- 3 Laws Nos. 11-26 and 17-03, is hereby further amended to
- 4 read as follows:
- 5 "Section 208. <u>Tax Liability</u>.
- 6 The Corporation shall exist and operate solely
- 7 for the benefit of the public and shall be
- 8 exempt from any taxes or assessments except the
- 9 following: (1) import taxes or assessments on
- 10 any of its property, operations or activities;
- 11 and (2) gross revenue tax. and shall be liable
- for the payment of any tax, assessment or
- 13 <u>contribution as may be required by law.</u> Nothing
- herein shall be deemed to exempt employees and
- independent contractors of the Corporation from
- 16 tax liability for services rendered to the
- 17 Corporation; and the Corporation shall be liable
- 18 for employers' contributions to the Social
- 19 Security System of the Federated States of

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Micronesia in the manner provided by law."
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         Section 2. The provision of this act shall become
   effective on October 1, 2011.
         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.
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                         Introduced by: /s/ Wesley Simina
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     Date: <u>9/19/11</u>
                                              Wesley Simina
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