A BILL FOR AN ACT

To further amend section 805 of title 54 of the Code of the Federated States of Micronesia (Annotated), as authorized by Public Law No. 18-96, and as amended by Public Law No. 18-107, to deposit fifty percent (50%) of the twenty 20% deposited into the State sub-account A in the FSM Trust Fund into the states general fund, and for other purposes.

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

Section 1. Section 805 of title 54 of the Code of the Federated States of Micronesia (Annotated), as authorized by Public Law No. 18-96, and as amended by Public Law No. 18-107, is hereby further amended to read as follows:

"Section 805. Distribution of revenues.

(1)(a) 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 fifty percent at the National Government’s share of all other net taxes collected pursuant to sections 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) Of the additional twenty percent of the total of all other net taxes collected pursuant to sections 121, 141, and 221 of this title after the
Treasurer of the Federated States of Micronesia has administered distribution under subsection (a) [shall be] and deposited by the treasurer of the Federated States of Micronesia into the State sub-account “A” of the FSM Trust Fund on behalf of the National Government for the State government to which the taxes are attributable, fifty percent (50%) shall be deposited by the treasurer of the National Government into the States general funds. The additional twenty percent (20%) fifty percent (50%) deposited by the National Government into individual States sub-account A may not be withdrawn by the States.

(c) Twenty-five percent of the amount remaining, after the transfer of funds pursuant to subsections 1(a) and 1(b) 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 or full-time post-secondary courses of study leading to commercial Federal Aviation Administration (FAA) licenses, ratings and certifications. The allottee of the scholarship funds shall be the President of the Federated States of Micronesia or his designee;

(d) Except as specifically provided in parts (a), (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.

(2) 'Net taxes' as used in subsection (1) of this section means gross collections of taxes, penalties, interest, or other related charges less refunds."

Section 2. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

Date: 5/19/15    Introduced by: /s/ David W. Panuelo
                  David W. Panuelo