A BILL FOR AN ACT

To amend section 221 of title 54 of the Code of the Federated States of Micronesia (Annotated), to reduce the rates of import tax on certain items, to condition such reduction on certain actions by the states of the Federated States of Micronesia, and for other purposes.

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

Section 1. Section 221 of title 54 of the Federated States of Micronesia (Annotated), is hereby further amended to read as follows:

"Section 221. Levy and Rates.

(1) Cigarettes, at the rate of 25% ad valorem;

(2) Tobacco, other than cigarettes, at the rate of 40% ad valorem;

(3) Perfumery, cosmetics, and toiletries, including cologne and other toilet waters, articles of perfumery, whether in sachets or otherwise, and all preparations used as applications to the hair or skin, lipsticks, pomades, powders, and other toilet preparations not having medicinal properties, at the rate of [25%] 4%; ad valorem;

(4) Soft drinks, drink mixes, drink preparation, coffee, tea, and nonalcoholic beverages, at the rate of [25%] 4% ad valorem;

(5) Beer and malt beverages, at the rate of 25% ad
(6) Distilled alcoholic beverages, at the rate of $10.00 per gallon;
(7) Wine at the rate of 25% ad valorem;
(8) Foodstuffs for human consumption, at the rate of [25%] 4% ad valorem;
(9) Gasoline and diesel fuel, at the rate of $0.05 per gallon;
(10) Laundry bar soap, at the rate of [100%] 4% ad valorem; and
(11) All other imported products, except those specified above, at the rate of four percent ad valorem.”

Section 2. The provisions of section 1 of this act shall be effective upon all four states of the FSM enacting sales tax legislation to tax the goods in subsection (3), (4), (8) and (10) of section 221, or one year from the date this act becoming law, whichever is later.”

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.

Date: 1/08/16
Introduced by: /s/ Isaac V. Figir
Isaac V. Figir