AN ACT

Amending Section 51, Title 77 of the Trust Territory Code, by levying import taxes on all commodities imported into the Federated States of Micronesia, irrespective of whether for resale or for personal use and consumption, and for other purposes.

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

Section 1. Section 51 of Title 77 of the Trust Territory Code, as amended by Public Law No. IC-26, is hereby further amended to read as follows:

"Section 51. Import taxes.

(1) The following import taxes are hereby levied on all products specified herein which are imported into the Federated States of Micronesia:

(a) Cigarettes, at the rate of seven cents per every twenty cigarettes, except that a person may bring in tax-free not more than three cartons of cigarettes per trip;

(b) Tobacco, other than cigarettes, at the rate of fifty percent ad valorem, except that a person may bring in tax-free not more than thirty-six ounces of tobacco per trip;

(c) 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 twenty-five percent ad valorem, except that the first $100 worth of such item or items may be brought in tax-free per trip;

(d) Soft drinks and nonalcoholic beverages, at the rate of two cents on each twelve fluid ounces or fractional part thereof, except that a person may bring in tax-free an amount not to exceed
one hundred and forty-four fluid ounces of soft drinks and non-
alcoholic beverages per trip;

(e) Beer and malt beverages, at the rate of four cents
on each twelve fluid ounces or fractional part thereof, except that
a person permitted by applicable state law to possess, consume and
use beer and malt beverages may bring in tax-free an amount not to
exceed one hundred and forty-four fluid ounces of beer or malt
beverages per trip;

(f) Distilled alcoholic beverages, at the rate of seven
dollars per wine gallon, except that any person permitted by
applicable state law to possess, consume and use distilled alcoholic
beverages, may bring into such state of the Federated States tax-free,
an amount of liquor not to exceed two-fifths of a wine gallon per
trip;

(g) Wine, at the rate of two dollars per wine gallon,
except that this tax shall not apply to any religious organization
which is importing or receiving into the Federated States sacramental
wine for use in the religious rites of such organization, except
further that a person may bring in tax-free not more than two-fifths
of a wine gallon of wine per trip;

(h) Foodstuffs for human consumption, at the rate of one
percent ad valorem, except that the first $100 worth of foodstuffs
per trip may be brought in tax-free;

(i) Gasoline and diesel fuel, at the rate of five cents
per gallon;
(j) All other imported products, except those specified above, at the rate of three percent ad valorem, except that the first $200 worth of product or products not itemized above may be brought in tax-free per trip.

(2) Any commodities subject to a tax imposed under this Section which are not received by the importer or are certified as damaged may be exempted from such tax upon certification of damage or nonreceipt by the carrier or his agent.

Section 2. A new Subsection (3) is hereby added to Section 51 of Title 77 of the Trust Territory Code to read as follows:

"(3) The term 'all other imported products', as used in Paragraph (j), Subsection (1) of Section 51 above, is defined to include goods, merchandise, commodities, products, articles, construction and other materials, property, equipment, vehicles, machinery and parts thereof, supplies, instruments, and implements which are imported into the Federated States of Micronesia from foreign countries; PROVIDED, HOWEVER, that this Subsection shall not be construed as imposing import taxes on any items brought into the Federated States of Micronesia by the national government, the state governments, or political subdivisions thereof, which are intended for official use and are deemed necessary in order to carry out government functions and operations."

Section 3. This act shall take effect upon approval by the President
of the Federated States of Micronesia, or upon its becoming law without such approval.

December 26, 1979

Tosiwo Nakayama
President
Federated States of Micronesia