## A BILL FOR AN ACT

To amend subchapter II of chapter 3 of title 54 of the code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 18-103, by inserting a new section 324 thereto to give the Secretary of the Department of Finance and Administration the authority to reduce a third-party appraisal to determine fair market value of certain assets, and for other purposes.

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

- 1 Section 1. The Congress desires to ensure that the
- 2 Secretary of the Department of Finance and Administration has
- 3 all the authority necessary to maximize collection of all taxes
- 4 properly owed to the Federated States of Micronesia. In
- 5 determining the value of certain assets for taxable income
- 6 purposes, disputes can arise as to the asset's fair market
- 7 value. The Congress finds that the best way to avoid such
- 8 disputes and maximize the amount of taxes collected is to
- 9 utilize the expertise of qualified third-party appraisers.
- 10 Section 2. Subchapter II of chapter 3 of title 54 of the
- 11 code of the Federated States of Micronesia (Annotated), as
- 12 amended by Public Law No. 18-103, is hereby further amended by
- 13 inserting a new section 324 to read as follows:
- 14 "Section 324. Requirement of third-party appraisal.
- 15 (1) For any asset or series of asset valued at
- \$10,000,000 or more, the Secretary of the Department
- of Finance and Administration has the authority to

1	re	equire that a Major Corporation or a Major FSM	
2	Br	anch submit to a qualified third-party appraisal to	
3	de	etermine the fair market value of each asset for the	
4	pu	arpose of determining taxable income.	
5		(2) If a Major Corporation or a Major FSM Branch	
6	<u>h</u> a	as already utilized to accept that appraisal in lieu	
7	of	the appraisal required under subsection (1) of	
8	<u>th</u>	nis section."	
9	Section	3. This act shall become law upon approval	
10	by the Presi	dent of the Federated States of Micronesia or	
11	upon its bed	coming law without such approval.	
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13	Date: 7/2/18		
14		Florencio S. Harpe (by request)	r
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