A BILL FOR AN ACT

To amend section 141 of title 54 of the Code of the Federated States of Micronesia (Annotated), as amended, to increase by two percent (2%) the rate of taxation on gross revenues of certain businesses subject to chapter 1 of this title, and for other purposes.

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

1. Section 1. Section 141 of Title 54 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended to read as follows:

"Section 141. Tax on gross revenues; Exemption.

(1) There shall be assessed, levied, collected, and paid a tax of $80 per year upon that portion of the amount of taxable gross revenues earned by every business subject to the provisions of this chapter which does not exceed $10,000 per year.

(2) There shall be assessed, levied, collected, and paid a tax of [three] five percent per year upon that portion of the amount of taxable gross revenues earned by every business subject to the provisions of this chapter which is in excess of $10,000 per year.

(3) Businesses which earn gross revenues of not more than $2,000 per year are exempt from taxation under this section. The deduction shall be claimed by the business by filing for a refund under the provisions of sections
122 and 123 of this chapter.

(4) For the purpose of section 805 of this title, every business that operates in more than one State of the Federated States of Micronesia shall file a separate tax return for revenue collected in each State.”

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: 5/19/17

Introduced by: /s/ Wesley W. Simina

Wesley W. Simina