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A BILL FOR AN ACT

To amend section 161 of chapter 1 of title 54 of the Code of the Federated States of Micronesia (Annotated), as enacted by Public Law No. 21-145, by removing the ten (10) percent taxation of unemployment assistance, and for other purposes.

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

1           Section 1. Section 161 of chapter 1 of title 54 of the  
2 Code of the Federated States of Micronesia (Annotated), as  
3 enacted by Public Law No. 21-145, is hereby amended to read as  
4 follows:

5           "Section 161. Taxation of Unemployment Assistance.

6                   ~~[(1) Any unemployment assistance received by a~~  
7                   ~~resident of the Federated States of Micronesia from~~  
8                   ~~foreign government grants is subject to ten (10%)~~  
9                   ~~percent taxation unless explicitly prohibited by the~~  
10                   ~~terms and conditions of the foreign assistance.]~~

11                   ~~[-(2)]~~(1) Any unemployment assistance received by a  
12                   resident of the Federated States of Micronesia from  
13                   foreign government grants is subject to fifteen (15%)  
14                   percent deduction for Social Security contribution for  
15                   the benefit of the recipient unless explicitly  
16                   prohibited by the terms and conditions of the foreign  
17                   assistance."

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

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5 Date: 7/7/20

Introduced by: /s/ Peter M. Christian  
Peter M. Christian

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