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A BILL FOR AN ACT

To further amend section 805 of title 54 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 18-107 and 21-152, to extend the exemption of the extra 20% of the share of revenues collected to the National Government from being deposited into the State sub-accounts of the FSM Trust Fund, and for other purposes.

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

1           Section 1. Section 805 of title 54 of the Code of the  
2 Federated States of Micronesia (Annotated), as amended by  
3 Public Laws Nos. 18-107 and 21-152, is hereby further amended  
4 to read as follows:

5           "Section 805. Distribution of revenues.

6           (1) Distribution to the States.

7                   (a) The treasurer of the Federated States of  
8 Micronesia shall pay eighty percent of the net taxes  
9 collected pursuant to section 221(9) of this title, and  
10 fifty percent of all other net taxes collected pursuant  
11 to sections 121, 141, and 221 of this title into the  
12 treasury of the State government to which the taxes are  
13 attributable for appropriation by the State legislature.

14                   (b) Subject to Part (e) below, an additional  
15 twenty percent of the total of all other net taxes  
16 collected pursuant to sections 121, 141, and 221 of  
17 this title after the Treasurer of the Federated States  
18 of Micronesia has administered distribution under part

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1 (a) shall be deposited by the treasurer of the Federated  
2 States of Micronesia into the State sub-account "A" of  
3 the FSM Trust Fund on behalf of the National Government  
4 for the State government to which the taxes are  
5 attributable. The additional twenty percent (20%)  
6 deposited by the National Government into individual  
7 States sub-account A may not be withdrawn by the States.

8 (c) Twenty-five percent of the amount remaining,  
9 after the transfer of funds pursuant to parts (a) and  
10 (b) of this subsection, of the net taxes collected  
11 pursuant to subsection 221(1) of this title shall be  
12 placed in an account to be used solely for post-graduate  
13 school scholarships or full-time post-secondary courses  
14 of study leading to commercial Federal Aviation  
15 Administration (FAA) licenses, ratings and  
16 certifications. The allottee of the scholarship funds  
17 shall be the President of the Federated States of  
18 Micronesia or his designee;

19 (d) Except as specifically provided in parts (a),  
20 (b) and (c) of this subsection, all net taxes collected  
21 shall be part of the General Fund of the Federated  
22 States of Micronesia, subject to appropriation by  
23 Congress pursuant to title 55 of the Code of the  
24 Federated States of Micronesia.

25 (e) On an extraordinary basis the extra 20% of

1 net taxes collected during fiscal years 2021, ~~and~~  
2 2022, and 2023 as defined in part (b) of this subsection  
3 above shall be remitted to the States and not to the FSM  
4 Trust Fund.

5 (2) 'Net taxes' as used in subsection (1) of this  
6 section means gross collections of taxes, penalties,  
7 interest, or other related charges less refunds."

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

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12 Date: 5/12/21

Introduced by: /s/ Wesley W. Simina  
Wesley W. Simina

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