

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, 21-152 and 22-57, to authorize on an extraordinary basis that the Pohnpei State's share of the extra 20% of net taxes collected during fiscal year 2023 be remitted to fuel wholesalers for the purpose of providing a fuel subsidy to Pohnpei residents, to clarify that Yap's share of the extra 20% of net taxes collected during fiscal year 2023 will be deposited into 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 Public  
3 Laws Nos. 18-107, 21-152 and 22-57 is hereby further amended to  
4 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 twenty  
15 percent of the total of all other net taxes collected  
16 pursuant to sections 121, 141, and 221 of this title

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9           States sub-account A may not be withdrawn by the  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

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

22                 (d) Except as specifically provided in parts (a),  
23           (b) and (c) of this subsection, all net taxes collected  
24           shall be part of the General Fund of the Federated  
25           States of Micronesia, subject to appropriation by

1 Congress pursuant to title 55 of the Code of the  
2 Federated States of Micronesia.

3 (e) On an extraordinary basis the extra 20% of net  
4 taxes collected during fiscal years 2021 and 2022, as  
5 defined in part (b) of this subsection above, shall be  
6 remitted to the States and not to the FSM Trust Fund.  
7 On an extraordinary basis, Chuuk State's and Kosrae  
8 State's shares of the extra 20% of net taxes, as  
9 provided in part (b) of this subsection above,  
10 collected during fiscal year 2023 shall not be  
11 deposited into the FSM Trust Fund but shall be remitted  
12 in full to the States. For Pohnpei State, its share  
13 for fiscal year 2023 shall be remitted to fuel  
14 wholesalers for the purpose of providing a fuel subsidy  
15 on gasoline, diesel, and kerosene to Pohnpei residents.  
16 For Yap State, its share for Fiscal Year 2023 shall be  
17 deposited into the FSM Trust Fund, as provided in part  
18 (b) of this subsection above.

19 (2) 'Net taxes' as used in subsection (1) of this  
20 section means gross collections of taxes, penalties,  
21 Interest, or other related charges less refunds.

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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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June 21st, 2022

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/s/ David W. Panuelo

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David W. Panuelo

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President

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Federated States of Micronesia

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