October 14, 2022

The Honorable Wesley W. Simina
Speaker
Twenty-Second Congress
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear Speaker Simina:

I am pleased to transmit the following congressional act, which I have signed to become Public Law No. 22-158:

Congressional Act No. 22-150, entitled: "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, 22-57 AND 22-139, TO AUTHORIZE ON AN EXTRAORDINARY BASIS THAT THE CHUUK STATE'S SHARE OF THE EXTRA 20% OF NET TAXES COLLECTED DURING FISCAL YEAR 2023 BE REMITTED TO CHUUK STATE, WITH CERTAIN PROVISIONS, AND FOR OTHER PURPOSES."

Thank you.

Sincerely,

David W. Panuelo
President

xc: Chief Justice, FSM Supreme Court
September 14, 2022

His Excellency David W. Panuelo
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear President Panuelo:

I have the honor to transmit herewith Congressional Act No. 22-150, "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, 22-57 AND 22-139, TO AUTHORIZE ON AN EXTRAORDINARY BASIS THAT THE CHUUK STATE’S SHARE OF THE EXTRA 20% OF NET TAXES COLLECTED DURING FISCAL YEAR 2023 BE REMITTED TO CHUUK STATE, WITH CERTAIN PROVISOS, AND FOR OTHER PURPOSES", which was passed by the Twenty-Second Congress of the Federated States of Micronesia, Fifth Regular Session, 2022, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

[Signature]

Jessicalynn Reyes
Chief Clerk, Congress of the Federated States of Micronesia

Enclosures
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 NO. 18-107, 21-152, 22-57 AND 22-139, TO AUTHORIZE ON AN EXTRAORDINARY BASIS THAT THE CHUUK STATE'S SHARE OF THE EXTRA 20% OF NET TAXES COLLECTED DURING FISCAL YEAR 2023 BE REMITTED TO CHUUK STATE, WITH CERTAIN PROVISOS, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: VICTOR V. GOULAND
DATE: SEPTEMBER 06, 2022

REFERRED TO: WAYS AND MEANS COMMITTEE
WITHDRAWN — SEPTEMBER 08, 2022
FIRST READING: SEPTEMBER 08, 2022
SECOND READING: SEPTEMBER 14, 2022

Jessica Lynn Reyes
Chief Clerk, FSM Congress
ACT NO. 22-150

(CONGRESSIONAL BILL NO. 22-238, C.D.1)

We hereby certify that on September 14 the foregoing act passed Second and Final Reading of the Twenty-Second Congress of the Federated States of Micronesia, Fifth Regular Session, 2022, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

Wesley W. Simina
Speaker
Congress of the Federated States of Micronesia

Jessica Lynn Reyes
Chief Clerk
Congress of the Federated States of Micronesia
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, 22-57 and 22-139, to authorize on an extraordinary basis that the Chuuk State's share of the extra 20% of net taxes collected during fiscal year 2023 be remitted to Chuuk State, with certain provisos, 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, 22-152, 22-57, and 22-139, is hereby further
4 amended 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 for the total of all other net taxes
16 collected pursuant to sections 121, 141, and 221 of this
17 title after the Treasurer of the Federated States of
Micronesia has administered distribution under part (a) shall be deposited by the treasurer of the Federated States of Micronesia into the States' sub-account "A" of the FSM Trust Fund on behalf of the National Government for the State government to which the taxes are attributable. The additional twenty percent (20%) deposited by the National Government into individual States sub-account A may not be withdrawn by States.

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

(d) Except as specifically provided in parts (a), (b) and (c) of this subsection, all net taxes collected shall be part of the General Fund of the Federated States of Micronesia, subject to appropriation by Congress pursuant to title 55 of the Code of the Federated States of Micronesia.
(e) On an extraordinary basis the extra 20% of net taxes collected during fiscal years 2021 and 2022, as defined in part (b) of this subsection above, shall be remitted to the States and not to the FSM Trust Fund. On an extraordinary basis, Kosrae State's share of the extra 20% of net taxes, as provided in part (b) of this subsection above, collected during fiscal year 2023 shall not be deposited into the FSM Trust Fund but shall be remitted in full to Kosrae State. For Chuuk State's share of the extra 20% of net taxes, as provided in part (b) of this subsection above, collected during the fiscal year 2023 shall be not deposited into the FSM Trust Fund but shall be remitted in full to Chuuk State; PROVIDED, HOWEVER, that such amount, as necessary, shall be used to defray what Chuuk State may owe to municipalities for prior years pursuant to the 8% revenue sharing required under section 6 of article VIII of the Constitution of the State of Chuuk; PROVIDED, FURTHER, that the Governor shall be the allottee of such funds and shall provide guidelines for the proper allocation, distribution, and safeguard of the funds. For Pohnpei State, its share for fiscal year 2023 shall be remitted to fuel wholesalers for the purpose of providing a fuel subsidy on gasoline, diesel, and kerosene to Pohnpei residents. For Yap State, its share
for Fiscal Year 2023 shall be deposited into the FSM
Trust Fund, as provided in part (b) of this subsection
above.

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

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.

October 14th, 2022

[Signature]

David W. Panuelo
President
Federated States of Micronesia