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, 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 years 2023 and 2024 be remitted to the Municipal Governments, 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 Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 18-107, 21-152, 22-57 and 22-139, is hereby further amended to read as follows:

"Section 805. Distribution of revenues.

(1) Distribution to the States.

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

(b) Subject to Part (e) below, an additional twenty percent of the total of all other net taxes collected pursuant to sections 121, 141, and 221 of this title after the Treasurer of the Federated States of Micronesia shall pay eighty percent of the net taxes collected pursuant to section 221(9) of this title, and fifty percent of all other net taxes collected pursuant to sections 121, 141, and 221 of this title into the treasury of the State government to which the taxes are attributable for appropriation by the State legislature.

(c) The remaining forty percent of the net taxes collected pursuant to section 221(9) of this title, and sixty percent of all other net taxes collected pursuant to sections 121, 141, and 221 of this title after the Treasurer of the Federated States of Micronesia shall pay them into the State Treasury.

(d) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government.

(e) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government after deducting the expenses of the Treasurer's office and the costs of collection.

(f) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government after deducting the expenses of the Treasurer's office, the costs of collection, and the costs of administration.

(g) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government after deducting the expenses of the Treasurer's office, the costs of collection, the costs of administration, and the costs of enforcement.

(h) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government after deducting the expenses of the Treasurer's office, the costs of collection, the costs of administration, the costs of enforcement, and the costs of auditing.

(i) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government after deducting the expenses of the Treasurer's office, the costs of collection, the costs of administration, the costs of enforcement, the costs of auditing, and the costs of litigation.

(j) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government after deducting the expenses of the Treasurer's office, the costs of collection, the costs of administration, the costs of enforcement, the costs of auditing, the costs of litigation, and the costs of investigations.

(k) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government after deducting the expenses of the Treasurer's office, the costs of collection, the costs of administration, the costs of enforcement, the costs of auditing, the costs of litigation, the costs of investigations, and the costs of inspections.

(l) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government after deducting the expenses of the Treasurer's office, the costs of collection, the costs of administration, the costs of enforcement, the costs of auditing, the costs of litigation, the costs of investigations, the costs of inspections, and the costs of audits.

(m) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government after deducting the expenses of the Treasurer's office, the costs of collection, the costs of administration, the costs of enforcement, the costs of auditing, the costs of litigation, the costs of investigations, the costs of inspections, the costs of audits, and the costs of reviews.

(n) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government after deducting the expenses of the Treasurer's office, the costs of collection, the costs of administration, the costs of enforcement, the costs of auditing, the costs of litigation, the costs of investigations, the costs of inspections, the costs of audits, and the costs of evaluations.

(o) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government after deducting the expenses of the Treasurer's office, the costs of collection, the costs of administration, the costs of enforcement, the costs of auditing, the costs of litigation, the costs of investigations, the costs of inspections, the costs of audits, the costs of evaluations, and the costs of audits.

(p) The Treasurer of the Federated States of Micronesia shall transfer the funds to the appropriate State agencies for the purposes of the State government after deducting the expenses of the Treasurer's office, the costs of collection, the costs of administration, the costs of enforcement, the costs of auditing, the costs of litigation, the costs of investigations, the costs of inspections, the costs of audits, the costs of evaluations, and the costs of audits.
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 the 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, Chuuk State's share of the extra 20% of net taxes, as provided in part (b) of this subsection above, collected during fiscal years 2023 and 2024 shall not be deposited into the FSM Trust Fund but shall be remitted in full to the Municipal Governments. [and] Kosrae State’s share[s] 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 [the States] Kosrae State. 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.

Date: 7/10/23  Introduced by: /s/ Victor V. Goulard

Victor V. Goulard