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A BILL FOR AN ACT

To amend sections 121, 141, and 201 of title 54 of the Code of the Federated States of Micronesia to change certain rates of taxation within the Federated States of Micronesia, and for other purposes.

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

1 Section 1. Section 121 of title 54 of the Code of the Federated
2 States of Micronesia is hereby amended to read as follows:

3 "Section 121. Tax on wages and salaries. There shall be
4 assessed, levied, collected, and paid a tax of ~~11~~ 7.5 percent
5 upon the first \$11,000 and ~~14~~ 14 percent upon the amount over
6 the first \$11,000 of all wages and salaries received by every
7 employee, as defined, except as provided in section 122 of this
8 chapter."

9 Section 2. Section 141 of title 54 of the Code of the Federated
10 States of Micronesia is hereby amended to read as follows:

11 "Section 141. Tax on gross revenues; Exemption.

12 (1) There shall be assessed, levied, collected, and paid a
13 tax of ~~80~~ \$100 per year upon that portion of the amount of
14 gross revenues earned by every business subject to the
15 provisions of this chapter which does not exceed \$10,000 per
16 year.

17 (2) There shall be assessed, levied, collected, and paid a
18 tax of ~~4.2~~ 4.2 percent per year upon that portion of the
19 amount of gross revenues earned by every business subject to the
20 provisions of this chapter which is in excess of \$10,000 per
21 year.

22 (3) Businesses which earn gross revenues of not more than
23 \$2,000 per year are exempt from taxation under this section.
24 The deduction shall be claimed by the business by filing for a
25 refund under the provisions of sections 122 and 123 of this

1 chapter."

2 Section 3. Section 201 of title 54 of the Code of the Federated
3 States of Micronesia is hereby amended to read as follows:

4 "Section 201. Import taxes - Levy and rates. The following
5 import taxes are hereby levied on all products specified herein
6 which are imported into the Federated States of Micronesia for
7 resale except that the taxes levied under subsections (1), (2),
8 (5), (6), and (7) of this section shall apply to products which
9 are imported into the Federated States of Micronesia for
10 personal use and consumption as well as for resale:

11 (1) cigarettes, at the rate of ~~ten~~ 10 cents per every
12 ~~twenty~~ 20 cigarettes, except that any person may bring into any
13 State of the Federated States of Micronesia up to one carton or
14 ~~two hundred~~ 200 cigarettes per trip tax-free, if such cigarettes
15 are for that person's use and consumption and not for resale;

16 (2) tobacco, other than cigarettes, at the rate of ~~fifty~~
17 70 percent ad valorem, except that any person may bring into any
18 State of the Federated States of Micronesia up to one pound of
19 tobacco or ~~twenty~~ 20 cigars per trip tax-free, if such tobacco
20 products are for that person's use and consumption and not for
21 resale;

22 (3) perfumery, cosmetics, and toiletries, including
23 cologne and other toilet waters, articles of perfumery, whether
24 in sachets or otherwise, and all preparations used as
25 applications to the hair or skin, lipsticks, pomades,

1 powders, and other toilet preparations not having
2 medicinal properties, at the rate of ~~twentyfive~~ 35
3 percent ad valorem;

4 (4) soft drinks and nonalcoholic beverages, at the rate of
5 ~~two~~ 3 cents on each ~~twelve~~ 12 fluid ounces or fractional part
6 thereof;

7 (5) beer and malt beverages, at the rate of ~~four~~ 6 cents
8 per can or bottle of ~~twelve~~ 12 fluid ounces or fractional part
9 thereof;

10 (6) distilled alcoholic beverages, at the rate of ~~seven~~
11 ~~dollars~~ \$20 per wine gallon, ~~except that any person permitted by~~
12 ~~applicable state law to possess, consume, and use distilled~~
13 ~~alcoholic beverages, may bring into such state of the Federated~~
14 ~~States tax free, an amount of liquor not to exceed ~~twofifths~~~~ of
15 a wine gallon per trip, if such liquor is for his personal use
16 and consumption and not for resale;

17 (7) wine, at the rate of ~~two dollars~~ \$7 per wine gallon,
18 except that this tax shall not apply to any religious
19 organization which is importing or receiving into the Federated
20 States sacramental wine for use in the religious rites of such
21 organization;

22 (8) foodstuffs for human consumption, at the rate of ~~one~~
23 1.5 percent ad valorem;

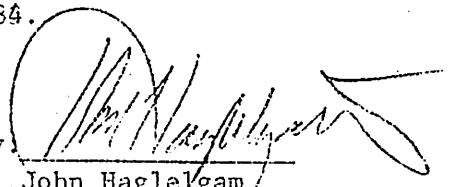
24 (9) gasoline and diesel fuel, at the rate of ~~five~~ 5 cents
25 per gallon; and

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1 (10) all other imported products, except those specified
2 above, at the rate of ~~three~~ 4 percent ad valorem."

3 Section 4. This act shall become law upon approval by the President
4 of the Federated States of Micronesia or upon its becoming law without
5 such approval and shall take effect on January 1, 1984.

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7 Date: 5/31/83

Introduced by 
John Hagler, gam
(by request)

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