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A BILL FOR AN ACT

To amend section 116 of title 54 of the Code of the Federated States of Micronesia by adding a new subsection (5) for the purpose of allowing a State official access to revenue records and filings from his State; to renumber subsections (5) and (6); and for other purposes.

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

1 Section 1. Section 116 of title 54 of the Code of the Federated
2 States of Micronesia is hereby amended by adding a new subsection (5)
3 to read as follows:

4 "Section 116. Preservation and disclosure of information.

5 (1) All reports and returns required by this chapter
6 shall be preserved for three years and thereafter until the
7 Secretary orders them to be destroyed.

8 (2) The Secretary and every employee of the Department
9 of Finance shall maintain the secrecy of all matters
10 relating to this chapter which come to their knowledge and
11 shall not communicate such matters to any person except for
12 the purpose of carrying into effect this chapter or any
13 other enactment imposing taxes or duties payable to the
14 Government of the Federated States of Micronesia.

15 (3) No employee of the Department of Finance shall be
16 required to produce in any court any matter or thing
17 relating to the taxes imposed by this chapter coming under
18 his notice in the performance of his duties as an employee
19 of the Revenue Division except when it is necessary to do so
20 for the purpose of carrying into effect any provision of
21 this chapter or any other enactment imposing duties or taxes
22 payable to the Government of the Federated States of
23 Micronesia.

24 (4) Information as to the amount of income or any
25 particular set forth or disclosed in any report or return



1 required under this chapter may, upon request of a committee
2 appointed by the Congress of the Federated States of
3 Micronesia, be furnished to the committee, but the committee
4 or any member, clerk, or other officer or employee thereof
5 shall not disclose any particulars of the information so
6 furnished except to law enforcement officers for the purpose
7 of aiding the detection or prosecution of crimes committed
8 in violation of this chapter.

9 (5) The Governor of each State may appoint one
10 representative of his administration who shall have access
11 to all returns, reports, or other information on file with
12 the Department of Finance as may be necessary to show that
13 the required distribution of revenues to his State has been
14 made. The appointee may share information acquired
15 hereunder with the Governor of his State. The Governor and
16 his appointee may not disclose the information to any other
17 person except for the specific purpose of ensuring that the
18 required distribution of revenues to their State has been
19 made, or except as otherwise provided for by law.

20 (§ 6) The Attorney General or other legal
21 representatives of the Government of the Federated States of
22 Micronesia may inspect the report of return of any taxpayer
23 who brings an action to set aside or review the tax based
24 thereon, or against whom an action or proceeding has been
25 instituted to recover any tax or any penalty imposed by this

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C.B. No. 4-242

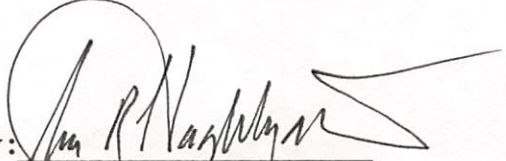
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chapter.

(§ 7) Nothing herein shall prohibit the Secretary or his delegate from compiling and publishing statistics or information generally on the returns filed so long as there is no reference to a particular return and the statistics and the information do not in effect divulge the contents of any one return."

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: 6/06/86

Introduced by: 
John R. Hagler
(by request)