A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 4-32, 4-81, and 4-114, by amending section 201 to raise the import taxes paid on certain items, and for other purposes.

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

Section 1. Section 201 of title 54 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

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

(1) Cigarettes, at the rate of fifty percent ad valorem, except that any person may bring into any State of the Federated States of Micronesia up to one carton or two hundred cigarettes per trip tax-free, if such cigarettes are for that person's use and consumption and not for resale;

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

(3) Perfumery, cosmetics, and toiletries, including cologne and other toilet waters, articles of perfumery, whether in sachets or otherwise, and all preparations used
as applications to the hair or skin, lipsticks, pomades,
powders, and other toilet preparations not having medicinal
properties, at the rate of twenty-five percent ad valorem;
(4) soft drinks, drink mixes, drink preparations,
coffee, tea, and nonalcoholic beverages, at the rate of two
cents on each twelve fluid ounces of fractional part
thirty-five percent ad valorem;
(5) beer and malt beverages, at the rate of four cents
per can of twelve fluid ounces or fractional part
thirty-five percent ad valorem;
(6) distilled alcoholic beverages, at the rate of
eighty-eight cents per wine gallon one hundred percent ad
valorem, except that any person permitted by applicable
State law to possess, consume, and use distilled alcoholic
beverages, may bring into such State of the Federated
States tax free, an amount of liquor not to exceed two-
fifths of a wine gallon per trip, if such liquor is for his
personal use and consumption and not for resale;
(7) wine, at the rate of two dollars per wine gallon
one hundred percent ad valorem, except that this tax shall
not apply to any religious organization which is importing
or receiving into the Federated States sacramental wine for
use in the religious rites of such organization;
(8) foodstuffs for human consumption, at the rate of
one percent ad valorem, except that products containing
more than fifty percent by weight or volume of potato or
more than fifty percent by weight or volume of corn matter,
candy, refined sugar products, cookies, cakes, other baked
goods other than bread, and cake, cookie or other packaged
baking mixes, but not including fresh potatoes or corn or,
packaged sugar, shall be taxed at a rate of fifty percent
ad valorem;

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

(10) all other imported products, except those
specified above, at the rate of three percent ad valorem.
All ad valorem taxes shall be based on FOB prices."

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: 6/2/87

Introduced by: Peter M. Christian