

*RD  
WM*

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:

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

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

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

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

23 (3) perfumery, cosmetics, and toiletries, including  
24 cologne and other toilet waters, articles of perfumery,  
25 whether in sachets or otherwise, and all preparations used



RD  
WM

C. B. No. 5-37

1 as applications to the hair or skin, lipsticks, pomades,  
2 powders, and other toilet preparations not having medicinal  
3 properties, at the rate of twenty-five percent ad valorem;

4 (4) soft drinks, drink mixes, drink preparations,  
5 coffee, tea, and nonalcoholic beverages, at the rate of ~~two~~  
6 ~~cents on each twelve fluid ounces or fractional part~~  
7 ~~thereof~~ fifty percent ad valorem;

8 (5) beer and malt beverages, at the rate of ~~four cents~~  
9 ~~per can or bottle of twelve fluid ounces or fractional part~~  
10 ~~thereof~~ twenty-five percent ad valorem;

11 (6) distilled alcoholic beverages, at the rate of  
12 ~~seven dollars per wine gallon~~ one hundred percent ad  
13 valorem, except that any person permitted by applicable  
14 State law to possess, consume, and use distilled alcoholic  
15 beverages, may bring into such State of the Federated  
16 States tax free, an amount of liquor not to exceed two-  
17 fifths of a wine gallon per trip, if such liquor is for his  
18 personal use and consumption and not for resale;

19 (7) wine, at the rate of ~~two dollars per wine gallon~~  
20 one hundred percent ad valorem, except that this tax shall  
21 not apply to any religious organization which is importing  
22 or receiving into the Federated States sacramental wine for  
23 use in the religious rites of such organization;

24 (8) foodstuffs for human consumption, at the rate of  
25 one percent ad valorem, except that products containing

RD  
WM

C. B. No. 5-37

1 more than fifty percent by weight or volume of potato or  
2 more than fifty percent by weight or volume of corn matter,  
3 candy, refined sugar products, cookies, cakes, other baked  
4 goods other than bread, and cake, cookie or other packaged  
5 baking mixes, but not including fresh potatoes or corn or  
6 packaged sugar, shall be taxed at a rate of fifty percent  
7 ad valorem;

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

10 (10) all other imported products, except those  
11 specified above, at the rate of three percent ad valorem.

12 All ad valorem taxes shall be based on FOB prices."

13 Section 2. This act shall become law upon approval by the  
14 President of the Federated States of Micronesia or upon its becoming  
15 law without such approval.

16  
17 Date: 4/2/87

Introduced by:   
Peter M. Christian

18  
19  
20  
21  
22  
23  
24  
25