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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 sections 115 and 141 relating to taxation, and for other purposes.

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

1 Section 1. Section 115 of title 54 of the Code of the Federated
2 States of Micronesia is hereby amended to read as follows:

3 "Section 115. Tax returns - Information required.

4 (1) The Secretary shall prescribe the forms of all
5 returns required to be furnished under the provisions of
6 this chapter or provide for other methods of filing
7 returns and may provide in such forms for the giving of
8 such information as he may deem necessary or advisable.

9 (2) All information required by the form of any
10 return must be included in the return by the person,
11 employer, company, or business responsible for making the
12 return.

13 (3) No return shall be complete unless and until
14 it is signed by or for the employer, business or other
15 person liable to make the return, or by someone authorized
16 to do so in behalf of such employer, business, or other
17 person. Every return shall be signed by a natural person.

18 (4) The Secretary may require that, if any person or
19 persons actually prepare or sign a return for another
20 employer, business, or other person, a form stating such
21 facts and authorizing such person to sign such return be
22 signed by the person so preparing or signing the return,
23 and the employer, business, or other person in whose name
24 the return is filed.

25 (5) The Secretary may by regulations define the

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1 classes of persons to whom this provision shall apply.

2 (6) Any other provision of law to the contrary
3 notwithstanding, no oath shall be required upon any tax
4 return.

5 (7) Revenue shall be identified by the State or
6 States in which it is earned."

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

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

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

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

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

25 (4) For the purpose of section 805 of this title,

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1 every business that operates in more than one State of
2 the Federated States of Micronesia shall file a separate
3 tax return for revenue collected in each State."

4 Section 3. This act shall become law upon approval by the
5 President of the Federated States of Micronesia or upon its becoming
6 law without such approval.

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8 Date: Oct. 12/87

Introduced by: Claude H. Phillip
 Claude H. Phillip

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