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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. 5-65, 5-81 and 5-84, by amending section 805 for the purpose of increasing the percentage of taxes returned to the States by the National Government, to make certain technical changes, and for other purposes.

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

1 Section 1. Section 805 of title 54 of the Code of the Federated
2 States of Micronesia is hereby amended to read as follows:

3 "Section 805. Distribution of revenues.

4 (1) The ~~treasurer~~ Secretary of Finance of the ~~Trust~~
5 ~~Territory, or his successor,~~ Federated States of
6 Micronesia shall pay ~~eighty percent of the net taxes~~
7 ~~collected pursuant to section 201(9) of this title, and~~
8 ~~fifty~~ seventy percent of all ~~other~~ net taxes collected
9 pursuant to sections 121, 141, and 201 of this title, into
10 the treasury of the State government to which the taxes are
11 attributable for appropriation by the State legislature.

12 (2) 'Net taxes' as used in subsection (1) of this
13 section means gross collections of taxes, penalties,
14 interest, or other related charges less refunds and less
15 the cost of administration.

16 (3) 'Cost of administration' as used in subsection
17 (2) of this section means the cost determined to be
18 allocatable to each State by the Congress of the Federated
19 States of Micronesia when making appropriations for the
20 operating expenses of the Revenue Division.

21 (4) The revenue office in each State may administer
22 the taxes of the State in which located, but those duties
23 shall not interfere with the administration of taxes imposed
24 by the laws of the Federated States of Micronesia. All
25 costs in excess of those funded by appropriations of the

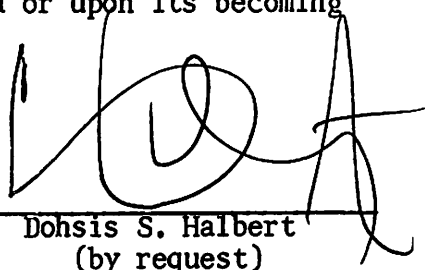
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C. B. No. 6-28

1 Congress of the Federated States of Micronesia required for
2 the administration of State taxes shall be borne entirely
3 by the State."

4 Section 2. 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: J/23/89


Dohsis S. Halbert
(by request)

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