A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by further amending section 201, as amended by Public Laws Nos. 5-81 and 7-54, for the purpose of lowering the import tax on food, and exempting construction materials from the import tax, 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, as amended by Public Laws Nos.
5-81 and 7-54, is hereby further 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 twenty-five 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 skin
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
twenty-five percent ad valorem;

(5) beer and malt beverages, at the rate of twenty-
five percent ad valorem;

(6) distilled alcoholic beverages, at the rate of
ten dollars per wine gallon, 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 twenty-five 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 three one percent ad valorem; provided, however, that
fresh citrus fruit shall be at the rate of twenty-five three percent ad valorem;

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

(10) laundry bar soap, at the rate of one hundred percent ad valorem; and

(11) all other imported products, except those specified above and except construction materials, at the rate of four percent ad valorem."

Section 2. This act shall become effective 90 days after it becomes law.

Section 3. 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: 5/4/93

Introduced by: Joseph J. Urusemal

(by request)