A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by adding a new section 206 for the purpose of providing and retroactively applying an import tax exemption for goods imported by certain foreigners pursuant to a foreign aid agreement calling for such exemption, and for other purposes.

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

Section 1. Title 54 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 206 to read as follows:

"Section 206. Import tax exemption for goods imported by certain foreigners. All commodities subject to tax under section 201 shall be exempt from such tax if and to the extent they are imported by an international organization, foreign contractor, or other foreign entity in connection with the performance of services or other conduct of business in furtherance of a foreign aid agreement entered into by the Federated States of Micronesia, the terms of which require that such imports shall not be subject to taxation by the Government of the Federated States of Micronesia. This exemption shall apply retroactively; PROVIDED that no taxpayer shall be entitled hereunder to any refund of any taxes actually paid prior to January 1, 1994."

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: 10/26/94

Introduced by: Joseph J. Urusmal
(by request)