A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia by amending section 142 to clarify that gross revenue for gross revenue tax purposes shall include revenue derived for sales outside the Federated States of Micronesia of all goods produced, manufactured or otherwise originating in the Federated States of Micronesia, and for other purposes.

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

Section 1. Section 142 of title 54 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"142. Source of gross revenue: Apportionment.

(1) If any business earns or derives its gross revenue from business activities or undertakings both within and without the Federated States of Micronesia during the taxable year, then the whole of its gross revenue shall be presumed to have been derived from sources within the Federated States of Micronesia.

(2) The business may file for an apportionment of the tax on a form prescribed by the Secretary and the tax shall be levied only on that portion which is earned in or derived from sources or transactions or parts of transactions within the Federated States of Micronesia.

(3) Revenue derived from sources within the Federated States of Micronesia includes, but is not limited to, revenue derived from sales outside the Federated States of Micronesia of goods and products manufactured, produced or otherwise originating within the Federated States of Micronesia, including, but not limited to, all marine goods and products, whether animal, mineral or vegetable, originating within the Exclusive Economic Zone of the Federated States of Micronesia."
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: May 31, 1995

Introduced by: Nishima Yiezah