

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 141, as amended by Public Law No. 5-84, to provide for tax moratoria, holidays, and rebates of the tax on gross revenues, and to declare a moratorium on the tax on gross revenues for calendar years 1994 and 1995, and for other purposes.

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

1 Section 1. Short title and purpose. This act shall be known as
2 the Community Reinvestment Act of 1993. The purpose of this act is
3 to provide a short-term moratorium on the tax on gross revenues in
4 order to stimulate investment. This act retains the reporting
5 requirements so that an analysis may be made as to the effect of the
6 moratorium.

7 Section 2. Amendment. Section 141 of title 54 of the Code of
8 the Federated States of Micronesia, as amended by Public Law No.
9 5-84, is hereby further amended to read as follows:

10 "Section 141. Tax on gross revenues; Exemption; Tax
11 holidays.

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

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

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

1 and 123 of this chapter.

2 (4) For the purpose of section 805 of this title,
3 every business that operates in more than one State of
4 the Federated States of Micronesia shall file a separate
5 tax return for revenue collected in each State.

6 (5) Congress may by law provide for a moratorium,
7 holiday, or rebates on the tax on gross revenues."

8 Section 3. Tax moratorium. There shall be no assessment,
9 levying, collection or requirement of payment of the tax on gross
10 revenue pursuant to section 141 of title 54 of this code with respect
11 to gross revenue attributable to the calendar years of 1994 and 1995;
12 PROVIDED, however, that the duty of each business to make a return
13 pursuant to subsections (2) and (3) of section 143 of title 54 of
14 this code shall remain in effect.

15 Section 4. Effective date. This act shall become law upon
16 approval by the President of the Federated States of Micronesia or
17 upon its becoming law without such approval.

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19 Date: 10/27/93

Introduced by:


Joseph J. Urusemal

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