A BILL FOR AN ACT

To further amend section 208 of title 21 of the Code of the Federated States of Micronesia, as amended by Public Law No. 11-26, for the purpose of making the Telecommunications Corporation subject to the gross revenue tax, and for other purposes.

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

Section 1. Section 208 of title 21 of the Code of the Federated States of Micronesia, as amended by Public Law No. 11-26, is hereby further amended to read as follows:

"Section 208. Tax Liability.

The Corporation shall exist and operate solely for the benefit of the public and shall be exempt from any taxes or assessments except the following: (1) import taxes or assessments on any of its property, operations or activities; and (2) gross revenue tax. Nothing herein shall be deemed to exempt employees and independent contractors of the Corporation from tax liability for services rendered to the Corporation; and the Corporation shall be liable for employers’ contributions to the Social Security System of the Federated States of Micronesia in the manner provided by law."

CBL 17-1
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: 5/11/11

Introduced by: /s/ Tony H. Otto

Tony H. Otto

/s/ Bonsiano Fasy Nethon

Bonsiano Fasy Nethon