A BILL FOR AN ACT

To further amend section 805 of title 54 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 10-68, 13-21, 13-60, and 15-24, for the purpose of funding the Social Security Retirement Fund with corporate income tax revenues, and for other purposes.

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

Section 1. Section 805 of title 54 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 10-68, 13-21, 13-60, and 15-24, is hereby further amended to read as follows:

"Section 805. Distribution of revenues.

(1)(a) The treasurer of the Federated States of Micronesia shall pay eighty percent of the net taxes collected pursuant to section 221(9) of this title and, beginning January 1, 2004 and continuing thereafter, fifty percent of all other net taxes collected pursuant to sections 121, 141, and 221 of this title into the treasury of the State government to which the taxes are attributable for appropriation by the State legislature.

(b) Twenty-five percent of the amount remaining, after the transfer of funds pursuant to subsection (1)(a) of this section, of the net taxes collected pursuant to subsection 221(1) of this title
shall be placed in an account to be used solely for
post-graduate school scholarships or full-time post-
secondary courses of study leading to commercial
Federal Aviation Administration (FAA) licenses,
ratings and certifications. The allottee of the
scholarship funds shall be the President of the
Federated States of Micronesia or his designee;

(c) Beginning October 1, 2011, the treasurer
of the Federated States of Micronesia shall pay one
hundred percent of net taxes collected pursuant to
section 321 of this title to the Federated States of
Micronesia Social Security Retirement Fund
established by section 1001 of title 53 of the Code
of the Federated States of Micronesia;

[(c)(d)](d) Except as specifically provided in [parts
(a) and (b)] subsections (1)(a), (1)(b) and, (1)(c)
of this [sub]section, all net taxes collected shall
be part of the General Fund of the Federated States
of Micronesia, subject to appropriation by Congress
pursuant to title 55 of the Code of the Federated
States of Micronesia.

(2) 'Net taxes' as used in subsection (1) of this
section means gross collections of taxes, penalties,
interest, or other related charges less refunds."
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: 5/19/11  Introduced by: /s/ Tony H. Otto

Tony H. Otto

3 of 3