SEVENTEENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FIRST REGULAR SESSION, 2011

CONGRESSIONAL BILL NO. 17-01, C.D.1

PC NO.17-20

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."
Section 2. The provision of this act shall become effective on October 1, 2011.

Section 3. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

JUNE 29, 2011

/s/ Manny Mori
Manny Mori
President
Federated States of Micronesia