AN ACT

To further amend 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, by amending section 805 thereof, to increase the state share of taxes collected from fifty percent (50%) to seventy percent (70%) with the additional twenty percent (20%) deposited by the additional Government into the state sub-account A to of the FSM Trust Fund, 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 fifty percent at the National Government’s share 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) An additional twenty percent of the total of all other net taxes collected pursuant to sections 121, 141, and 221 of this title after the Treasurer
of the Federated States of Micronesia has
administered distribution under subsection (A) shall
be deposited by the treasurer of the Federated States
of Micronesia into the State sub-account “A” of the
FSM Trust Fund on behalf of the National Government
for the State government to which the taxes are
attributable. The additional twenty percent (20%)
deposited by the National Government into individual
States sub-account A may not be withdrawn by the
States.

(c) Twenty-five percent of the amount
remaining, after the transfer of funds pursuant to
subsections 1(a) and 1(b) 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;

(d) Except as specifically provided in parts
(a), (b) and (c) of this subsection, 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 will come into effect on October 1, 2015.

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.

February 3, 2015

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