

STANDING COMMITTEE REPORT NO. 20-67

RE: C.B. NO. 20-137/W&M

SUBJECT: IMPORT TAX ON USED VEHICLES

JUNE 29, 2018

The Honorable Wesley W. Simina
Speaker, Twentieth Congress
Federated States of Micronesia
Fourth Special Session, 2018

Dear Mr. Speaker:

Your Committee on Ways & Means, to which was referred C.B. No 20-137, entitled:

"A BILL FOR AN ACT TO AMEND SECTION 221 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, TO INCREASE THE IMPORT DUTIES LEVIED ON USED VEHICLES, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

The intent purpose of this bill are expressed in its title: to raise the import tax on used vehicles (to 10%). That will have two beneficial effects:

1. Increase revenues for the national and the state government (through revenue sharing) where the import is taking place.
2. to raise the cost of used cars, in order to discourage import of such cars. It is the observation of your Committee that used cars have a limited life span and tend to break down quickly. Many are left on the side of the road, causing a trash problem – attracting trash and being trash themselves. The import of used cars are

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increasing throughout the country. This measure is an attempt to curb the increase.

Your Committee on Ways & Means is in accord with the intent and purpose of C.B. No. 20-137 and recommends its passage on First Reading and that it be placed on the Calendar for Second and Final Reading in the form attached hereto.

Respectfully submitted,

/s/ Isaac V. Figir
Isaac V. Figir, chairman

David W. Panuelo, member

/s/ Victor V. Gouland
Victor V. Gouland, member

/s/ Ferny S. Perman
Ferny S. Perman, member

Robson U. Romolow, member

/s/ Joseph J. Urusemal
Joseph J. Urusemal, member

Paliknoa K. Welly, member