A BILL FOR AN ACT

To further amend chapter 1 of title 5 of the Code of the Federated States of Micronesia (Annotated), as amended, by adding a new Subchapter VI, for the purpose of permitting the taxation of unemployment assistance, and for other purposes.

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

1. Section 1. Chapter 1 of title 5 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby amended by creating a new Subchapter VI entitled: “Unemployment Assistance”.

2. Section 2. Chapter 1 of title 5 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby amended by adding a new section 160 to Subchapter VI to read as follows:

   "Section 160. Unemployment assistance.

   (1) “Unemployment assistance” means any renumeration given to residents of the Federated States of Micronesia to assist in times of unemployment.

3. Section 3. Chapter 1 of title 5 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby amended by adding a new section 161 to Subchapter VI to read as follows:

   "Section 161. Taxation of Unemployment Assistance.

   (1) Any unemployment assistance received by a
resident of the Federated States of Micronesia from
foreign government grants is subject to ten (10%) percent
taxation.

(2) Any unemployment assistance received by a
resident of the Federated States of Micronesia from
foreign government grants is subject to fifteen (15%)
percent deduction for Social Security contribution for
the benefit of the recipient."

Section 4. 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: 5/19/20

Introduced by: /s/ Isaac V. Figir

Isaac V. Figir