The President
Patsik, Pohnpei
Federated States of Micronesia

PRESIDENTIAL COMM. NO.
FSM CONGRESS

2L 333

July 3, 2020

The Honorable Wesley W. Simina
Speaker
Twenty-First Congress of the
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear Speaker Simina:

I am transmitting the following Act, which was re-passed by the 21st FSM Congress and is hereby designated as Public Law No. 21-145:

CONGRESSIONAL ACT NO. 21-120, ENTITLED: "AN ACT TO FURTHER AMEND CHAPTER 1 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY ADDING A NEW SUB-CHAPTER VI, FOR THE PURPOSE OF PERMITTING THE TAXATION OF UNEMPLOYMENT ASSISTANCE, AND FOR OTHER PURPOSES."

Thank you.

Sincerely,

David W. Panuelo
President

Xc:  Chief Justice, FSM Supreme Court
July 02, 2020

His Excellency David W. Panuelo
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear President Panuelo:

I have the honor to transmit herewith Congressional Act No. 21-120, "AN ACT TO FURTHER AMEND CHAPTER 1 OF TITLE 54 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.", which was repassed on July 2, by the Twenty-First Congress of the Federated States of Micronesia, Sixth Special Session, 2020, by a three-fourths vote of all the State delegations as required and as duly certified.

Sincerely yours,

Liwiana Ramon Ioanis
Chief Clerk, Congress of the Federated States of Micronesia

Enclosures
An Act

TO FURTHER AMEND CHAPTER 1 OF TITLE 54 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.

INTRODUCED BY SENATOR: ISAAC V. FIGIR

DATE: MAY 19, 2020

REPASSED: – JULY 2, 2020

[Signature]

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress
ACT NO. 21-120

(CONGRESSIONAL BILL NO. 21-194, C.D.1)

I hereby certify that on July 2 the foregoing act was repassed by the Twenty-First Congress of the Federated States of Micronesia, Sixth Special Session, 2020, by a three-fourths vote of all the State delegations as required under article IX, section 2(q), of the Constitution of the Federated States of Micronesia.

Wesley W. Simina
Speaker
Congress of the
Federated States of Micronesia
AN ACT

To further amend chapter 1 of title 54 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 54 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 54 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 remuneration given to residents of the Federated States of Micronesia to assist in times of unemployment.

3. Section 3. Chapter 1 of title 54 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 unless explicitly prohibited by the terms and conditions of the foreign assistance.

(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 unless explicitly prohibited by the terms and conditions of the foreign assistance."

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.

_____________________, 2020

David W. Panuelo
President
Federated States of Micronesia

July 2, 2020