
A BILL FOR AN ACT

To further amend section 805 of title 54 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 18-107, 21-152, and 22-57, to include Pohnpei State in the extension to fiscal year 2023 of the extra 20% of the share of revenues collected to the National Government from being deposited into the State sub-accounts of the FSM Trust Fund, and for other purposes.

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

1 Section 1. Section 805 of title 54 of the Code of the
2 Federated States of Micronesia, as amended by Public Laws Nos. 18-
3 107, 21-152, and 22-57, is hereby further amended to read as
4 follows:

5 "Section 805. Distribution of revenues.

6 (1) Distribution to the States.

7 (a) The treasurer of the Federated States of
8 Micronesia shall pay eighty percent of the net taxes
9 collected pursuant to section 221(9) of this title, and fifty
10 percent of all other net taxes collected pursuant to sections
11 121, 141, and 221 of this title into the treasury of the
12 State government to which the taxes are attributable for
13 appropriation by the State legislature.

14 (b) Subject to Part (e) below, an additional twenty
15 percent of the total of all other net taxes collected
16 pursuant to sections 121, 141, and 221 of this title after
17 the Treasurer of the Federated States of Micronesia has
18 administered distribution under part (a) shall be deposited

1 by the treasurer of the Federated States of Micronesia into
2 the State sub-account "A" of the FSM Trust Fund on behalf of
3 the National Government for the State government to which the
4 taxes are attributable. The additional twenty percent (20%)
5 deposited by the National Government into individual States
6 sub-account A may not be withdrawn by the States.

7 (c) Twenty-five percent of the amount remaining,
8 after the transfer of funds pursuant to parts (a) and (b) of
9 this subsection, of the net taxes collected pursuant to
10 subsection 221(1) of this title shall be placed in an account
11 to be used solely for post-graduate school scholarships or
12 full-time post-secondary courses of study leading to
13 commercial Federal Aviation Administration (FAA) licenses,
14 ratings and certifications. The allottee of the scholarship
15 funds shall be the President of the Federated States of
16 Micronesia or his designee.

17 (d) Except as specifically provided in parts (a), (b)
18 and (c) of this subsection, all net taxes collected shall be
19 part of the General Fund of the Federated States of
20 Micronesia, subject to appropriation by Congress pursuant to
21 title 55 of the Code of the Federated States of Micronesia.

22 (e) On an extraordinary basis the extra 20% of net
23 taxes collected during fiscal years 2021, 2022, and 223,
24 except the extension for fiscal year 2023 shall not apply to
25 [~~Pohnpei and~~] Yap, as defined in part (b) of this subsection

1 above shall be remitted to the States and not to the FSM
2 Trust Fund

3 (2) 'Net taxes' as used in subsection (1) of this
4 section means gross collections of taxes, penalties,
5 interest, or other related charges less refunds."

6 Section 2. This act shall become law upon approval by the
7 President of the Federated States of Micronesia or upon its
8 becoming law without such approval.

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10 Date: 12/10/21

Introduced by: /s/ Peter M. Christian
Peter M. Christian

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