

---

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, 22-57 and 22-139, to authorize on an extraordinary basis that the Chuuk State's share of the extra 20% of net taxes collected during fiscal years 2023 and 2024 be remitted to the Municipal Governments, 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 (Annotated), as amended by Public  
3 Laws Nos. 18-107, 21-152, 22-57 and 22-139, is hereby further  
4 amended to read as 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  
10 fifty percent of all other net taxes collected pursuant  
11 to sections 121, 141, and 221 of this title into the  
12 treasury of the State government to which the taxes are  
13 attributable for 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  
17 after the Treasurer of the Federated States of

---

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8           States sub-account A may not be withdrawn by the  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

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

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

---

1 Federated States of Micronesia.

2 (e) On an extraordinary basis the extra 20% of net  
3 taxes collected during fiscal years 2021 and 2022, as  
4 defined in part (b) of this subsection above, shall be  
5 remitted to the States and not to the FSM Trust Fund.  
6 On an extraordinary basis, Chuuk State's share of the  
7 extra 20% of net taxes, as provided in part (b) of this  
8 subsection above, collected during fiscal years 2023  
9 and 2024 shall not be deposited into the FSM Trust Fund  
10 but shall be remitted in full to the Municipal  
11 Governments.~~and~~ Kosrae State's share~~s~~ of the extra  
12 20% of net taxes, as provided in part (b) of this  
13 subsection above, collected during fiscal year 2023  
14 shall not be deposited into the FSM Trust Fund but  
15 shall be remitted in full to ~~the States~~ Kosrae State.  
16 For Pohnpei State, its share for fiscal year 2023 shall  
17 be remitted to fuel wholesalers for the purpose of  
18 providing a fuel subsidy on gasoline, diesel, and  
19 kerosene to Pohnpei residents. For Yap State, its  
20 share for Fiscal Year 2023 shall be deposited into the  
21 FSM Trust Fund, as provided in part (b) of this  
22 subsection above.

23 (2) 'Net taxes' as used in subsection (1) of this  
24 section means gross collections of taxes, penalties,  
25 Interest, or other related charges less refunds.

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

4

5 Date: 7/10/23

Introduced by: /s/ Victor V. Gouland  
Victor V. Gouland

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25