



The President
Palikir, Pohnpei
Federated States of Micronesia



PRESIDENTIAL COMM. NO. 23-157
FSM CONGRESS

October 4, 2023

The Honorable Esmond B. Moses
Speaker
Twenty-Third Congress
Federated States of Micronesia
Palikir, Pohnpei, FM 96941

Dear Speaker Moses:

I hereby return the following Congressional, which was repassed and become Public Law No. 23-31:

Congressional Act No. 23-20, entitled: " 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, 22-139 AND 22-158, TO CHANGE THE REVENUE SHARING PERCENTAGES BETWEEN THE NATIONAL AND STATE GOVERNMENTS WITH REGARDS TO TAX REVENUES, AND FOR OTHER PURPOSES."

I respect the decision of the 23rd FSM Congress for repassing this act. Nonetheless, I would appeal that this be reconsidered in the near future in light of the pressing needs of the States for financial assistance and support from the National Government. Clearly, the States had expressed their sincere request at the CEC + Presiding Officers meeting in Yap for support in order to keep the 20% set aside. I am of the view that we address this request.

In the spirit of national building and for the sake of strengthening our national unity, I would recommend that we revisit this matter. Thank you.

Sincerely,


Wesely W. Simina
President

Xc: Chief Justice, FSM Supreme Court



Office of the Chief Clerk

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3

Palikir, Sokehs Pohnpei State, FM 96941

Tel: (691) 320-2324 / 2338 Fax: (691) 320-5122

PRESIDENTIAL COMM. NO. 23-157
FSM CONGRESS

October 03, 2023

His Excellency Wesley W. Simina
President
P.O. Box PS 53
Federated States of Micronesia
Palikir, Pohnpei FM 96941

RECEIVED
OCT 3 2023
Office of the
President FSM

Dear President Simina:

I have the honor to transmit herewith Congressional Act No. 23-20, "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, 22-139 AND 22-158, TO CHANGE THE REVENUE SHARING PERCENTAGES BETWEEN THE NATIONAL AND STATE GOVERNMENTS WITH REGARDS TO TAX REVENUES, AND FOR OTHER PURPOSES.", which was repassed on September 30, by the Twenty-Third Congress of the Federated States of Micronesia, Second Regular Session, 2023, by a three-fourths vote of all the State delegations as required and as duly certified.

Sincerely yours,

Jessicalynn Reyes
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



PRESIDENTIAL COMM. NO. 23-157
FSM CONGRESS

TWENTY- THIRD CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
SECOND REGULAR SESSION
SEPTEMBER 12 – OCTOBER 1, 2023

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, 22-139 AND 22-158, TO CHANGE THE REVENUE SHARING PERCENTAGES BETWEEN THE NATIONAL AND STATE GOVERNMENTS WITH REGARDS TO TAX REVENUES, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: ISAAC V. FIGIR

DATE: JULY 25, 2023

REPASSED: – SEPTEMBER 30, 2023

A handwritten signature in black ink, appearing to read "Jessicalynn Reyes", is written over a horizontal line.

Jessicalynn Reyes
Chief Clerk, FSM Congress



Office of the Speaker

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O.Box PS 3 Palikir, Sokehs
Pohnpei State, FM 96941
Tel: (691) 320-2324 / 2338
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PRESIDENTIAL COMM. NO. 23-157
FSM CONGRESS

ACT NO. 23-20

(CONGRESSIONAL BILL NO. 23-34, C.D.1)

I hereby certify that on September 30 the foregoing act was repassed by the Twenty-Third Congress of the Federated States of Micronesia, Second Regular Session, 2023, 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.

A handwritten signature in black ink, appearing to read "Esmond B. Moses".

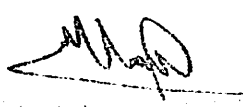
Esmond B. Moses
Speaker
23rd Congress of the
Federated States of Micronesia

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a very important document, as it sets out the President's policy for the new year. The letter is written in a very formal and dignified style, and it is one of the most important documents in the history of the United States.

2. The second part of the document is a letter from the President to the Congress, dated January 1, 1861. It is a very important document, as it sets out the President's policy for the new year. The letter is written in a very formal and dignified style, and it is one of the most important documents in the history of the United States.

3. The third part of the document is a letter from the President to the Congress, dated January 1, 1861. It is a very important document, as it sets out the President's policy for the new year. The letter is written in a very formal and dignified style, and it is one of the most important documents in the history of the United States.

4. The fourth part of the document is a letter from the President to the Congress, dated January 1, 1861. It is a very important document, as it sets out the President's policy for the new year. The letter is written in a very formal and dignified style, and it is one of the most important documents in the history of the United States.



5. The fifth part of the document is a letter from the President to the Congress, dated January 1, 1861. It is a very important document, as it sets out the President's policy for the new year. The letter is written in a very formal and dignified style, and it is one of the most important documents in the history of the United States.

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, 22-139 and 22-158, to change the revenue sharing percentages between the National and State Governments with regards to tax revenues, and for other purposes.

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

1 Section 1. Purpose. The purpose of this act is to change
2 the percentages of revenue sharing between the National and State
3 Governments with regards to taxes collected. Currently the State
4 Governments receive 80% of the fuel tax collected and 50% of the
5 wage and salary tax, gross receipts tax and import duties (other
6 than the fuel tax). This distribution will remain in place.
7 Additionally, historically, the Congress had seen fit to provide
8 the State Governments with 20% of the total tax take remaining
9 after the above State distribution was made.

10 With the Constitutional amendment requiring revenues from
11 fishing agreements to be divided equally between the National and
12 State Governments, it is fitting that the distribution of tax
13 revenue be adjusted.

14 Section 2. Section 805 of title 54 of the Code of the
15 Federated States of Micronesia (Annotated), as amended by Public
16 Laws Nos. 18-107, 21-152, 22-57, 22-139 and 22-158, is hereby
17 further amended as follows:

18 "Section 805. Distribution of revenues.

(1) Distribution to the States.

(a) The treasurer of the Federated States of Micronesia shall pay eighty percent (80%) of the net taxes collected pursuant to section 221(9) of this title (fuel tax), and fifty percent (50%) of all other net taxes collected pursuant to sections 121 (wage and salaries tax), 141 (gross revenue tax), and 221 (import duties - other than fuel tax under section 221(9)), of this title into the treasury of the State government to which the taxes are attributable for appropriation by the State legislatures.

(b) Through the end of fiscal year 2023 an additional twenty percent of the total of all other net taxes collected pursuant to sections 121, 141, and 221 of this title after the Treasurer of the Federated States of Micronesia has administered distribution under part (a) shall be deposited by the treasurer of the Federated States of Micronesia into the State sub-account "A" of the FSM Trust Fund on behalf of the National Government for the State government to which the taxes are attributable, UNLESS part (e) below provided otherwise. The additional twenty percent (20%) deposited by the National Government into the individual States sub-account A may not be withdrawn by the States. For fiscal year 2024 and thereafter,

1 zero percent (0%) of the total of all other net taxes
2 collected after distribution under part (a) shall be
3 transferred to the States.

4 (c) Twenty-five percent (25%) of the amount
5 remaining, after the transfer of funds pursuant to
6 parts (a) and (b) of this subsection, of the net taxes
7 collected pursuant to subsection 221(1) of this title
8 (cigarette tax) shall be placed in an account to be
9 used solely for post-graduate school scholarships or
10 full-time post-secondary courses of study leading to
11 commercial Federal Aviation Administration (FAA)
12 licenses, ratings and certifications. The allottee of
13 the scholarship funds shall be the President of the
14 Federated States of Micronesia or his designee.

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

21 (e) For fiscal year 2023 only, the 20% of net
22 taxes referenced in part (b) shall be distributed as
23 follows:

24 (i) Kosrae State's share shall not be
25 deposited into the FSM Trust Fund but shall be

remitted in full to Kosrae State;

(ii) Chuuk State's share shall be not deposited into the FSM Trust Fund but shall be remitted in full to Chuuk State; PROVIDED HOWEVER, that such amount, as necessary, shall be used to defray what Chuuk State may owe to municipalities for prior years pursuant to the 8% revenue sharing required under section 6 of article VIII of the Constitution of the State of Chuuk; PROVIDED, FURTHER, that the Governor shall be the allottee of such funds and shall provide guidelines for the proper allocation, distribution, and safeguard of the funds;

(iii) Pohnpei State's share shall be remitted to fuel wholesalers for the purpose of providing a fuel subsidy on gasoline, diesel, and kerosene to Pohnpei residents;

(iv) Yap State's, share shall be deposited into the Yap State sub-account "A" of the FSM Trust Fund, as provided in part (b) above.

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

1 Section 3. 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.

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_____, 2023

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*Override
Sept. 30, 2023*

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Wesley W. Simina
President
Federated States of Micronesia

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