SECOND CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FOURTH REGULAR SESSION, 1982

C.B. No. 297

A BILL FOR AN ACT

To amend sections 121, 141, and 201 of title 54 of the Code of the Federated States of Micronesia to change certain rates of taxation within the Federated States of Micronesia, and for other purposes.

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

1. Section 1. Section 121 of title 54 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

   "Section 121. Tax on wages and salaries. There shall be assessed, levied, collected, and paid a tax of 7.5 percent upon the first $11,000 and 14 percent upon the amount over the first $11,000 of all wages and salaries received by every employee, as defined, except as provided in section 122 of this chapter."

2. Section 2. Section 141 of title 54 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

   "Section 141. Tax on gross revenues; Exemption.

   (1) There shall be assessed, levied, collected, and paid a tax of $50 $100 per year upon that portion of the amount of gross revenues earned by every business subject to the provisions of this chapter which does not exceed $10,000 per year.

   (2) There shall be assessed, levied, collected, and paid a tax of 4.2 percent per year upon that portion of the amount of gross revenues earned by every business subject to the provisions of this chapter which is in excess of $10,000 per year.

   (3) Businesses which earn gross revenues of not more than $2,000 per year are exempt from taxation under this section. The deduction shall be claimed by the
business by filing for a refund under the provisions
of sections 122 and 123 of this chapter."

Section 3. Section 201 of title 54 of the Code of the
Federated States of Micronesia is hereby amended to read as
follows:

"Section 201. Import taxes - Levy and rates. The
following import taxes are hereby levied on all products
specified herein which are imported into the Federated
States of Micronesia for resale except that the taxes
levied under subsections (1), (2), (5), (6), and (7)
of this section shall apply to products which are
imported into the Federated States of Micronesia for
personal use and consumption as well as for resale:

(1) cigarettes, at the rate of $0.10 cents per
every twenty 20 cigarettes, except that any person may
bring into any State of the Federated States of Micronesia
up to one carton or two hundred 200 cigarettes per
trip tax-free, if such cigarettes are for that person's
use and consumption and not for resale;

(2) tobacco, other than cigarettes, at the rate of
fifty 50 percent ad valorem, except that any person may
bring into any State of the Federated States of Micronesia
up to one pound of tobacco or twenty 20 cigars per trip
tax-free, if such tobacco products are for that person's
use and consumption and not for resale;
(3) perfumery, cosmetics, and toiletries, including cologne and other toilet waters, articles of perfumery, whether in sachets or otherwise, and all preparations used as applications to the hair or skin, lipsticks, pomades, powders, and other toilet preparations not having medicinal properties, at the rate of 35 percent ad valorem;

(4) soft drinks and nonalcoholic beverages, at the rate of 3 cents on each 12 fluid ounces or fractional part thereof;

(5) beer and malt beverages, at the rate of 6 cents per can or bottle of 12 fluid ounces or fractional part thereof;

(6) distilled alcoholic beverages, at the rate of $20 per wine gallon, and the tax shall not apply to any beer or malt beverage used in the production of wine or to exceed the definition of a wine gallon the thirty (30) pound basis for the production or preparation and sale of distilled alcoholic beverages;

(7) wine, at the rate of $7 per wine gallon, except that this tax shall not apply to any religious organization which is importing or receiving into the Federated States sacramental wine for use
in the religious rites of such organization;
(8) foodstuffs for human consumption, at the rate
of $0.001.5$ percent ad valorem;
(9) gasoline and diesel fuel, at the rate of $0.05$
5 cents per gallon; and
(10) all other imported products, except those
specified above, at the rate of $0.004$ percent ad
valorem."
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 and shall take effect on
January 1, 1983.

Date: 10/1/88

Introduced by: Luke N. Tman
(by request)