
A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended by Public Law No. 4-32, by amending sections 804 and 902 to provide a 5 year record keeping requirement for taxpayers and to reduce the penalty for failure to pay any tax when due, and for other purposes.

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

1 Section 1. Section 804 of title 54 of the Code of the Federated
2 States of Micronesia is hereby amended to read as follows:

3 "Section 804. Transactions to be recorded; Penalties for
4 violations.

5 (1) Every person, firm, corporation, or association
6 engaging in any transaction subject to a tax, fee, or charge
7 levied or imposed under this title shall keep a full and
8 accurate record of each such transaction engaged in by him
9 and such record shall be available for examination by the
10 Secretary of Finance or his authorized representative for at
11 least ~~three~~ 5 years after the date of such transaction.

12 (2) Any person, firm, corporation, or association
13 willfully failing to keep or make available for examination
14 such records shall be guilty of a misdemeanor and upon
15 conviction thereof shall be punished in accordance with the
16 terms of section 901 of this title, and, in addition
17 thereto, shall be subject to the immediate revocation of any
18 relevant existing license to do business in the Federated
19 States of Micronesia."

20 Section 2. Section 902 of title 54 of the Code of the Federated
21 States of Micronesia is hereby amended to read as follows:

22 "Section 902. Monthly penalty upon unpaid taxes and fees.
23 In case of failure to pay any tax, fee, or charge levied or
24 imposed under this title when due, there shall be added to
25 the amount due ~~ten~~ five percent of the amount of such tax,

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1 fee, or charge if the failure is not for more than one
2 month, with an additional ~~ten~~ five percent for each
3 additional month or fraction thereof during which such
4 failure continues, not exceeding ~~one hundred~~ twenty-five
5 percent in the aggregate. The Secretary of Finance may
6 waive the penalty upon showing that such failure was due to
7 reasonable cause and not due to willful neglect."

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

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12 Date: 11-07-86

Introduced by: 

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Joab N. Sigra
(by request)

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