

WM

A RESOLUTION

Declaring that it is the policy of the Government of the Federated States of Micronesia that the proceeds of sales of goods sold outside the Federated States of Micronesia by businesses located within the Federated States of Micronesia shall not be exempt from the gross revenue tax.

1 WHEREAS, section 142(1) of title 54 of the Code of the Federated
2 States of Micronesia provides that if a business derives its gross income
3 from activities carried on both within and without the Federated States of
4 Micronesia, then all of its revenue shall be "presumed to have been derived
5 from sources within" the Federated States of Micronesia; and

6 WHEREAS, it has long been the policy of the Department of Finance to
7 treat revenue derived from foreign sales of goods or products
8 manufactured, produced or otherwise originating within the Federated
9 States of Micronesia by businesses located within the Federated States of
10 Micronesia as revenue "derived from sources" within the Federated States
11 of Micronesia for the purposes of section 142; and

12 WHEREAS, a question has recently arisen regarding the proper tax
13 treatment of sales of marine goods and products originating within the
14 Exclusive Economic Zone of the Federated States of Micronesia; now,
15 therefore,

16 BE IT RESOLVED by the Ninth Congress of the Federated States of
17 Micronesia, First Regular Session, 1995, that it is the policy of the
18 Government of the Federated States of Micronesia that the proceeds from
19 the sales outside the Federated States of Micronesia of goods and
20 products manufactured, produced or otherwise originating within the
21 Federated States of Micronesia, including, but not limited to, marine goods
22 and products originating within the Exclusive Economic Zone of the
23 Federated States of Micronesia, by businesses located within the Federated
24 States of Micronesia, shall not be exempt from the gross revenue tax; and
25

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C.B. NO. 9-15

1 BE IT FURTHER RESOLVED that a certified copy of this resolution be
2 transmitted to the President of the Federated States of Micronesia.

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4 Date: June 2, 1995

Introduced by: 
Nishima Yleizah

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