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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 Law No. 18-107, to exempt the extra 20% of the share of revenues collected to the National Government from being deposited into the State sub-accounts of the FSM Trust Fund, to make technical corrections, 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  
3 Public Law No. 18-107, is hereby further amended to read as  
4 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,  
10 and fifty percent [~~at the National Government's~~  
11 ~~share~~] of all other net taxes collected pursuant to  
12 sections 121, 141, and 221 of this title into the  
13 treasury of the State government to which the taxes  
14 are attributable for appropriation by the State  
15 legislature.

16                   (b) Subject to Part (e) below, an additional  
17 twenty percent of the total of all other net taxes

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1 collected pursuant to sections 121, 141, and 221 of  
2 this title after the Treasurer of the Federated  
3 States of Micronesia has administered distribution  
4 under [~~subsection (A)~~] part (a) shall be deposited by  
5 the treasurer of the Federated States of Micronesia  
6 into the State sub-account "A" of the FSM Trust Fund  
7 on behalf of the National Government for the State  
8 government to which the taxes are attributable. The  
9 additional twenty percent (20%) deposited by the  
10 National Government into individual States sub-  
11 account A may not be withdrawn by the States.

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

24 (d) Except as specifically provided in parts  
25 (a), (b) and (c) of this subsection, all net taxes

1 collected shall be part of the General Fund of the  
2 Federated States of Micronesia, subject to  
3 appropriation by Congress pursuant to title 55 of the  
4 Code of the Federated States of Micronesia.

5 (e) on an extraordinary basis the extra 20% of  
6 net taxes collected during fiscal years 2021 and 2022  
7 as defined in part (b) of this subsection above shall  
8 be remitted to the States and not to the FSM Trust  
9 Fund.

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

13 Section 2. This act will come into effect on October 1,  
14 2015.

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

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19 Date: 6/30/20

Introduced by: /s/ Wesley W. Simina  
Wesley W. Simina

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