

AN ACT

To further amend section 609A of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 21-104, 21-120, 21-211, 21-232 and 22-47 in order to extend the expiration date of the Tourism Sector Mitigation Fund, and for other purposes.

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

1 Section 1. Section 609A of title 55 of the Code of the
2 Federated States of Micronesia (Annotated), as amended by
3 Public Laws Nos. 21-104, 21-120, 21-211, 21-232 and 22-47, is
4 hereby further amended to read as follows:

5 "Section 609A. Tourism Sector Mitigation Fund.

6 (1) There is created a Tourism Sector Mitigation
7 Fund to be used to partially offset the economic
8 losses of the businesses in the tourism industry and
9 individuals working in the tourism industry who were
10 laid off in the Federated States of Micronesia during
11 the coronavirus epidemic

12 (2) Moneys for the Tourism Sector Mitigation Fund
13 shall be derived from coronavirus epidemic
14 appropriations by the Congress of the Federated States
15 of Micronesia and the State legislatures, United
16 States grants, funds designated for such purposes from
17 international organizations and from any and all other
18 appropriate sources.

1 (3) Tourism sector businesses operating in the
2 Federated States of Micronesia seeking relief from the
3 Tourism Sector Mitigation Fund must show tax returns
4 from the previous year in order to establish their
5 losses claimed under this fund. Individuals in the
6 tourism sector, who are seeking compensation for lost
7 wages due to being laid off as a result of the economic
8 downturn, must submit their last paycheck stub and a
9 statement from their employer in the tourism industry,
10 who laid them off, evidencing their unemployment. The
11 President shall issue regulations for equitable
12 compensation for affected businesses, including a
13 possible cap on the amount of a valid claim.

14 a) A tourism sector business will be
15 eligible for the following relief in the
16 relevant quarter to be calculated as follows:

17 (i) a rebate for reimbursement
18 purposes equivalent to 100% of the Wages and
19 Salaries paid by the taxpayer to the employees
20 of the tourism sector business for personal
21 services relating to producing the Gross Revenue
22 for the business;

23 (ii) a rebate for reimbursement purposes
24 equivalent to 100% for the Social Security contributions
25 paid by the tourism sector business in respect of its

1 employees in the quarter pursuant to section 902 of
2 title 53 of the FSM Code (Annotated);

3 (iii) a rebate for reimbursement purposes
4 equivalent to 100% for the Gross Revenue Tax (plus any
5 penalties and interest) payable by the tourism sector
6 business in the relevant quarter pursuant to section 141
7 of title 54 of the FSM Code (Annotated);

8 (iv) a rebate for reimbursement purposes
9 equivalent to 100% for the bank interest on business
10 loans paid by the tourism sector business to an FSM
11 domiciled branch of an FSM registered bank;

12 (v) additional relief may be added per
13 regulations; and

14 (vi) businesses that can show a direct
15 economic loss as a result in the downturn experienced by
16 the tourism sector are eligible to receive assistance
17 under this section subject to the requirements under
18 609A(3)(i)-(v).

19 (4) The distributions from the funds shall be
20 managed and administered by a committee named by the
21 President comprising representatives of the
22 Departments of Resources and Development; Finance and
23 Administration; Justice; and Environment, Climate
24 Change and Emergency Management. The committee shall
25 report quarterly to Congress on the status of the fund

1 and distributions therefrom.

2 (5) For the purposes of this fund tourism sector
3 businesses shall include hotel operators, car rentals,
4 tour operators, resorts, dive shops, airlines or any
5 other tourist specific business not mentioned above.
6 Other businesses not specifically mentioned above may
7 apply for assistance under this section; PROVIDED THAT,
8 they meet the following criteria:

9 (a) They can demonstrate that their business
10 relies significantly on the supply of goods and services
11 to the tourism sector; or

12 (b) They can demonstrate that their business has
13 been significantly impacted by the COVID-19 public
14 health emergency declaration.

15 (6) The Tourism Sector Mitigation Fund shall
16 expire on December 31, 2022. Any unexpended funds
17 shall lapse into the FSM Trust Fund.”

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1 Section 2. 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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June 3rd, 2022

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/s/ David W. Panuelo

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David W. Panuelo

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President

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Federated States of Micronesia

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