

A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, for the purpose of taxing wages and salaries derived from activities in the United States of America of certain residents of 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 124 of Title 54 of the Code of the  
2 Federated States of Micronesia, as amended by Public Law 7-41, is  
3 hereby further amended to read as follows:

4           "Section 124. Source of wages

5           (a) If an employee is credited or paid salaried or  
6 wages derived from, or attributable to, personal  
7 services performed and rendered both within and without  
8 the Federated States of Micronesia, then the whole of  
9 the salaries and wages shall be presumed to have  
10 been earned within the Federated States of Micronesia;

11           (b) Wages earned in the United States of America by  
12 persons who were physically present in the Federated  
13 States of Micronesia for a period of 183 or more days  
14 during any taxable year shall be subject to the wages  
15 and salaries tax as if earned in the Federated States of  
16 Micronesia.

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1           Section 3. 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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Date: 2/4/08

Introduced by: /s/ Peter Sitan  
Peter Sitan