

AN ACT

To further amend section 208 of title 21 of the Code of the Federated States of Micronesia, as amended by Public Law No. 11-26, for the purpose of making the Telecommunications Corporation subject to the gross revenue tax, and for other purposes.

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

1 Section 1. Section 208 of title 21 of the Code of
2 the Federated States of Micronesia, as amended by Public
3 Law No. 11-26, is hereby further amended to read as
4 follows:

5 "Section 208. Tax Liability.

6 The Corporation shall exist and operate solely
7 for the benefit of the public and shall be
8 exempt from any taxes or assessments except the
9 following: (1) import taxes or assessments on
10 any of its property, operations or activities;
11 and (2) gross revenue tax. Nothing herein shall
12 be deemed to exempt employees and independent
13 contractors of the Corporation from tax
14 liability for services rendered to the
15 Corporation; and the Corporation shall be liable
16 for employers' contributions to the Social
17 Security System of the Federated States of
18 Micronesia in the manner provided by law."

1 Section 2. The provision of this act shall become
2 effective on October 1, 2011.

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

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/s/ Manny Mori

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Manny Mori

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President

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Federated States of Micronesia

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