

AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 10-68, 13-21, 13-60, and 15-24, by amending section 805 thereof, to increase the state share of taxes collected from fifty percent (50%) to seventy percent (70%) with the additional twenty percent (20%) deposited by the additional Government into the state sub-account A to of the FSM Trust Fund, 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, as amended by Public Laws Nos.  
3 10-68, 13-21, 13-60, and 15-24 is hereby further amended to  
4 read as follows:

5                   "Section 805. Distribution of revenues.

6                   (1) (a) The treasurer of the Federated States of  
7 Micronesia shall pay eighty percent of the net taxes  
8 collected pursuant to section 221(9) of this title,  
9 and fifty percent at the National Government's share  
10 of all other net taxes collected pursuant to sections  
11 121, 141, and 221 of this title into the treasury of  
12 the State government to which the taxes are  
13 attributable for appropriation by the State  
14 legislature.

15                   (b) An additional twenty percent of the total  
16 of all other net taxes collected pursuant to sections  
17 121, 141, and 221 of this title after the Treasurer

1 of the Federated States of Micronesia has  
2 administered distribution under subsection (A) shall  
3 be deposited by the treasurer of the Federated States  
4 of Micronesia into the State sub-account "A" of the  
5 FSM Trust Fund on behalf of the National Government  
6 for the State government to which the taxes are  
7 attributable. The additional twenty percent (20%)  
8 deposited by the National Government into individual  
9 States sub-account A may not be withdrawn by the  
10 States.

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

22 (d) Except as specifically provided in parts  
23 (a), (b) and (c) of this subsection, all net taxes  
24 collected shall be part of the General Fund of the  
25 Federated States of Micronesia, subject to

1           appropriation by Congress pursuant to title 55 of the  
2           Code of the Federated States of Micronesia.

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

6           Section 2. This act will come into effect on October 1,  
7           2015.

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

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February 3 \_\_\_\_\_, 2015

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/s/ Manny Mori \_\_\_\_\_

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Manny Mori  
President  
Federated States of Micronesia

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