

AN ACT

To amend section 321 of title 54 of the Code of the Federated States of Micronesia (Annotated) to establish three corporate income tax rates for different levels of taxable income, and for other purposes.

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

1 Section 1. Section 321 of title 54 of the Code of the
2 Federated States of Micronesia (Annotated) is hereby amended to
3 read as follows:

4 "Section 321. Tax imposed. A tax is hereby imposed for
5 each taxable year on the taxable income of every major
6 corporation as follows:

7 (1) For all major corporations' taxable year ending
8 on or before March 30, 2011, 25.5% tax rate shall apply
9 to the entire taxable year.

10 (2) For all major corporations' taxable year ending
11 on or after March 31, 2011, and on or before March 30,
12 2020, 21% tax rate shall apply to the entire taxable
13 year.

14 (3) For all major corporations' taxable year ending
15 on or after March 31, 2020, the following tax rates
16 apply to the entire taxable year:

17 (a) 21% on the first \$300,000,000 of taxable
18 income;

19 (b) 25% on taxable income greater than

1 \$300,000,000 and less than \$500,000,000; and
2 (c) 30% on taxable income greater than
3 \$500,000,000.”

4 Section 2. This act shall become law upon approval by the
5 President of the Federated States of Micronesia or upon its
6 becoming law without such approval.

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_____ July 5, 2019

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/s/ David W. Panuelo
David W. Panuelo
President
Federated States of Micronesia

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