

AN ACT

To further amend section 805 of title 54 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 18-107, to exempt the extra 20% of the share of revenues collected to the National Government from being deposited into the State sub-accounts of the FSM Trust Fund, to make technical corrections, 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 (Annotated), as amended by
3 Public Law No. 18-107, is hereby further amended to read as
4 follows:

5 "Section 805. Distribution of revenues.

6 (1) Distribution to the States.

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

15 (b) Subject to Part (e) below, an additional
16 twenty percent of the total of all other net taxes
17 collected pursuant to sections 121, 141, and 221 of

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10 not be withdrawn by the States.

11 (c) Twenty-five percent of the amount
12 remaining, after the transfer of funds pursuant to
13 parts (a) and (b) of this subsection, 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

