

AN ACT

To further amend section 805 of title 54 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 18-107 and 21-152, to extend the exemption of 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, 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 Laws Nos. 18-107 and 21-152, is hereby further amended
4 to read as 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, and
10 fifty percent of all other net taxes collected pursuant
11 to sections 121, 141, and 221 of this title into the
12 treasury of the State government to which the taxes are
13 attributable for appropriation by the State legislature.

14 (b) Subject to Part (e) below, an additional
15 twenty percent of the total of all other net taxes
16 collected pursuant to sections 121, 141, and 221 of
17 this title after the Treasurer of the Federated States
18 of Micronesia has administered distribution under part

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7 States sub-account A may not be withdrawn by the States.

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

19 (d) Except as specifically provided in parts
20 (a), (b) and (c) of this subsection, all net taxes
21 collected shall be part of the General Fund of the
22 Federated States of Micronesia, subject to appropriation
23 by Congress pursuant to title 55 of the Code of the
24 Federated States of Micronesia.

25 (e) On an extraordinary basis the extra 20% of

1 net taxes collected during fiscal years 2021, 2022, and
2 2023, except the extension for the fiscal year 2023
3 shall not apply to Pohnpei and Yap as defined in part
4 (b) of this subsection above shall be remitted to the
5 States and not to the FSM Trust Fund.

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

9 Section 2. This act shall become law upon approval by the
10 President of the Federated States of Micronesia or upon its
11 becoming law without such approval.

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October 28th, 2021

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/s/ David W. Panuelo

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David W. Panuelo

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President

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Federated States of Micronesia

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