

AN ACT

To further amend section 609A of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 21-211 and 21-232, in order to extend the expiration date of the Tourism Sector Mitigation Fund, and for other purposes.

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

1 Section 1. Section 609A title 55 of the Code of the
2 Federated States of Micronesia (Annotated), as amended by
3 Public Laws Nos. 21-211 and 21-232, is hereby further amended to
4 read as follows:

5 "Section 609A. Tourism Sector Mitigation Fund.

6 (1) There is created a Tourism Sector Mitigation
7 Fund to be used to partially offset the economic
8 losses of the businesses in the tourism industry and
9 individuals working in the tourism industry who were
10 laid off in the Federated States of Micronesia during
11 the coronavirus epidemic.

12 (2) Moneys for the Tourism Sector Mitigation Fund
13 shall be derived from coronavirus epidemic
14 appropriations by the Congress of the Federated States
15 of Micronesia and the State legislatures, United
16 States grants, funds designated for such purposes from
17 international organizations and from any and all other
18 appropriate sources.

1 (3) Tourism sector businesses operating in the
2 Federated States of Micronesia seeking relief from the
3 Tourism Sector Mitigation Fund must show tax returns
4 from the previous year in order to establish their
5 losses claimed under this fund. Individuals in the
6 tourism sector, who are seeking compensation for lost
7 wages due to being laid off as a result of the
8 economic downturn, must submit their last paycheck
9 stub and a statement from their employer in the
10 tourism industry, who laid them off, evidencing their
11 unemployment. The President shall issue regulations
12 for equitable compensation for affected businesses,
13 including a possible cap on the amount of a valid
14 claim.

15 (a) A tourism sector business will be eligible
16 for the following relief in the relevant quarter to be
17 calculated as follows:

18 (i) a rebate for reimbursement purposes
19 equivalent to 100% of the Wages and Salaries paid by
20 the taxpayer to the employees of the tourism sector
21 business for personal services relating to producing
22 the Gross Revenue for the business;

23 (ii) a rebate for reimbursement purposes
24 equivalent to 100% for the Social Security
25 contributions paid by the tourism sector business in

1 respect of its employees in the quarter pursuant
2 to section 902 of title 53 of the FSM Code
3 (Annotated);

4 (iii) a rebate for reimbursement purposes
5 equivalent to 100% for the Gross Revenue Tax (plus any
6 penalties and interest) payable by the tourism sector
7 business in the relevant quarter pursuant to section
8 141 of title 54 of the FSM Code (Annotated);

9 (iv) a rebate for reimbursement purposes
10 equivalent to 100% for the bank interest on business
11 loans paid by the tourism sector business to a FSM
12 domiciled branch of a FSM registered bank;

13 (v) additional relief may be added per
14 regulations; and

15 (vi) businesses that can show a direct
16 economic loss as a result in the downturn experienced
17 by the tourism sector are eligible to receive
18 assistance under this section subject to the
19 requirements under 609A(3)(i)-(v).

20 (4) The distributions from the funds shall be
21 managed and administered by a committee named by the
22 President comprising representatives of the
23 Departments of Resources and Development; Finance and
24 Administration; Justice; and Environment, Climate
25 Change and Emergency Management. The committee shall

1 report quarterly to Congress on the status of the fund
2 and distributions therefrom.

3 (5) For the purposes of this fund tourism sector
4 businesses shall include hotel operators, car rentals,
5 tour operators, resorts, dive shops, airlines or any
6 other tourist specific business not mentioned above.
7 Other businesses not specifically mentioned above may
8 apply for assistance under this section; PROVIDED
9 THAT, they meet the following criteria:

10 (a) They can demonstrate that their business
11 relies significantly on the supply of goods and
12 services to the tourism sector; or

13 (b) They can demonstrate that their business
14 has been significantly impacted by the COVID-19 public
15 health emergency declaration.

16 (6) The Tourism Sector Mitigation Fund shall expire
17 on June 30, 2022. Any unexpended funds shall lapse
18 into the FSM Trust Fund.”
19
20
21
22
23
24
25

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

4

5

6

7

September 28th, 2021

8

9

10

11

/s/ David W. Panuelo

12

David W. Panuelo

13

President

14

Federated States of Micronesia

15

16

17

18

19

20

21

22

23

24

25