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A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by amending section 121 and repealing section 122 for the purpose of eliminating the \$1,000 deduction from the wage and salary tax, by reenacting section 122 for the purpose of clarifying an employee's ultimate responsibility for paying the wage and salary tax, and for other purposes.

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

1 Section 1. Section 121 of title 54 of the Code of the  
2 Federated States of Micronesia is hereby amended to read as follows:

3 "Section 121. Tax on wages and salaries.

4 There shall be assessed, levied, collected, and paid a  
5 tax of six percent upon the first \$11,000 and ten percent  
6 upon the amount over the first \$11,000 of all wages and  
7 salaries received by every employee, as defined [~~—except~~  
8 ~~as provided in section 122 of this chapter~~]."

9 Section 2. Section 122 of title 54 of the Code of the  
10 Federated States of Micronesia is hereby repealed in its entirety  
11 and replaced with a new section 122 to read as follow:

12 "Section 122. Employee tax returns.

13 It is the responsibility of every employee to assure that  
14 the tax on his wages and salaries is paid in full and on  
15 time. If the amount being withheld and paid by or on  
16 behalf of an employee pursuant to subchapter III is  
17 insufficient for any reason, that employee shall file a  
18 return showing the correct amount of tax due. All such  
19 returns shall be filed, and payments thereon shall be  
20 made, at the times and in the manner prescribed in  
21 sections 137, 138, and 139 of subchapter III. This  
22 section is not intended to diminish the responsibility of  
23 resident employers under subchapter III."

24 Section 3. This act shall take effect on the date it becomes  
25 law or on January 1, 2000, whichever is later.

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C.B. NO. 11-52

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

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5 Date: 7/19/99

Introduced by:

  
Joseph J. Urusemal  
(by request)

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