

A BILL FOR AN ACT

To further amend title 21 of the Code of the Federated States of Micronesia, as amended, by amending section 208 thereof, for the purpose of eliminating the Gross Revenue tax exemption for the FSM Telecommunications Corporation, and for other purposes.

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

1 Section 1. Section 208 of title 21 of the Code of the
2 Federated States of Micronesia, as amended by Public Law No. 11-
3 26, is hereby further amended to read as follows:

4 "Section 208. Tax Liability.

5 The Corporation shall exist and operate solely for the
6 benefit of the public and shall be exempt from any taxes
7 or assessments except import taxes, gross revenue taxes
8 or assessments on any of its property, operations, or
9 activities. Nothing herein shall be deemed to exempt
10 employees and independent contractors of the Corporation
11 from tax liability for services rendered to the
12 Corporation; and the Corporation shall be liable for
13 employers' contributions to the Social Security System
14 of the Federated States of Micronesia in the manner
15 provided by law."

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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.

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5 Date: 4/11/06

Introduced by: /s/ Peter

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Peter Sitan

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