

AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by amending section 903 thereof to provide for the waiver of penalties and interest on delinquent taxes paid during a specified period, and for other purposes.

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

1           Section 1. Title 54 of the Code of the Federated States of  
2 Micronesia is hereby amended by amending section 903 to read as  
3 follows:

4           "Section 903. (1) Notwithstanding any other provision  
5 of this title, all civil penalties and interest under  
6 this title, which were levied or could have been levied  
7 prior to the effective date of this Act, shall be waived  
8 with respect to any taxpayer who, at any time between  
9 the effective date of this Act and January 1, 2008, pays  
10 the full amount of the tax owed by the taxpayer, except  
11 that no penalty assessed under section 155(4) of this  
12 title shall be waived.

13                           (2) With respect to delinquent taxpayers  
14 who have a balance of zero (\$0) for their capital amount  
15 due, the Secretary of Finance and Administration is  
16 empowered for the duration of the period set forth in  
17 subsection (1) to write off and discharge all penalties  
18 and interest currently owing."

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20           Section 2. This act shall become law upon approval by the

1 President of the Federated States of Micronesia or upon its  
2 becoming law without such approval, and shall apply retroactively  
3 to any tax returns that have not yet been filed and taxes that  
4 have not yet been paid as of said effective date.

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October 18 \_\_\_\_\_, 2006

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/s/ Joseph J. Urusemal \_\_\_\_\_

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Joseph J. Urusemal  
President  
Federated States of Micronesia

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