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AN ACT

Amending Section 51, Title 77 of the Trust Territory Code, by levying import taxes on all commodities imported into the Federated States of Micronesia, irrespective of whether for resale or for personal use and consumption, and for other purposes.

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

1 Section 1. Section 51 of Title 77 of the Trust Territory Code, as amended  
2 by Public Law No. IC-26, is hereby further amended to read as follows:

3 "Section 51. Import taxes.

4 (1) The following import taxes are hereby levied on all products  
5 specified herein which are imported into the Federated States of  
6 Micronesia:

7 (a) Cigarettes, at the rate of seven cents per every twenty  
8 cigarettes, except that a person may bring in tax-free not more than  
9 three cartons of cigarettes per trip;

10 (b) Tobacco, other than cigarettes, at the rate of fifty  
11 percent ad valorem, except that a person may bring in tax-free not  
12 more than thirty-six ounces of tobacco per trip;

13 (c) Perfumery, cosmetics and toiletries, including cologne  
14 and other toilet waters, articles of perfumery, whether in sachets or  
15 otherwise, and all preparations used as applications to the hair or  
16 skin, lipsticks, pomades, powders and other toilet preparations not  
17 having medicinal properties, at the rate of twenty-five percent ad  
18 valorem, except that the first \$100 worth of such item or items may  
19 be brought in tax-free per trip;

20 (d) Soft drinks and nonalcoholic beverages, at the rate  
21 of two cents on each twelve fluid ounces or fractional part thereof,  
22 except that a person may bring in tax-free an amount not to exceed

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1           one hundred and forty-four fluid ounces of soft drinks and non-  
2           alcoholic beverages per trip;

3                   (e) Beer and malt beverages, at the rate of four cents  
4           on each twelve fluid ounces or fractional part thereof, except that  
5           a person permitted by applicable state law to possess, consume and  
6           use beer and malt beverages may bring in tax-free an amount not to  
7           exceed one hundred and forty-four fluid ounces of beer or malt  
8           beverages per trip;

9                   (f) Distilled alcoholic beverages, at the rate of seven  
10          dollars per wine gallon, except that any person permitted by  
11          applicable state law to possess, consume and use distilled alcoholic  
12          beverages, may bring into such state of the Federated States tax-free,  
13          an amount of liquor not to exceed two-fifths of a wine gallon per  
14          trip;

15                   (g) Wine, at the rate of two dollars per wine gallon,  
16          except that this tax shall not apply to any religious organization  
17          which is importing or receiving into the Federated States sacramental  
18          wine for use in the religious rites of such organization, except  
19          further that a person may bring in tax-free not more than two-fifths  
20          of a wine gallon of wine per trip;

21                   (h) Foodstuffs for human consumption, at the rate of one  
22          percent ad valorem, except that the first \$100 worth of foodstuffs  
23          per trip may be brought in tax-free;

24                   (i) Gasoline and diesel fuel, at the rate of five cents  
25          per gallon;

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1                   (j) All other imported products, except those specified  
2                   above, at the rate of three percent ad valorem, except that the  
3                   first \$200 worth of product or products not itemized above may be  
4                   brought in tax-free per trip.

5                   (2) Any commodities subject to a tax imposed under this  
6                   Section which are not received by the importer or are certified as  
7                   damaged may be exempted from such tax upon certification of damage  
8                   or nonreceipt by the carrier or his agent.

9                   Section 2. A new Subsection (3) is hereby added to Section 51 of Title  
10                  77 of the Trust Territory Code to read as follows:

11                   "(3) The term 'all other imported products', as used in  
12                   Paragraph (j), Subsection (1) of Section 51 above, is defined to  
13                   include goods, merchandise, commodities, products, articles,  
14                   construction and other materials, property, equipment, vehicles,  
15                   machinery and parts thereof, supplies, instruments, and implements  
16                   which are imported into the Federated States of Micronesia from  
17                   foreign countries; PROVIDED, HOWEVER, that this Subsection shall  
18                   not be construed as imposing import taxes on any items brought into  
19                   the Federated States of Micronesia by the national government, the  
20                   state governments, or political subdivisions thereof, which are  
21                   intended for official use and are deemed necessary in order to  
22                   carry out government functions and operations."

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

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December 28, 1979

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Tosiwo Nakayama  
President  
Federated States of Micronesia

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