

A BILL FOR AN ACT

To further amend section 352 of title 54 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 17-73, to eliminate interim payment of corporate tax for Major Corporations, and for other purposes.

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

1           Section 1. Section 352 of title 54 of the Code of the  
2 Federated States of Micronesia (Annotated), as amended by Public  
3 Law No. 17-73, is hereby further amended to read as follows:

4                   “Section 352. Payment of tax due. Taxes shall be paid  
5 as follows:

6           A Major Corporation and Major FSM Branch shall complete  
7 and submit to the Department of Finance and  
8 Administration an annual statement declaring the taxable  
9 income with permitted deductions and exemptions,  
10 hereinafter referred to as “Tax Return”, by the last  
11 business day of the sixth month period following the  
12 last day of the fiscal year of the Major Corporation or  
13 Major FSM Branch, respectively. The annual statement  
14 shall be accompanied by one of the following:

15                   (a) Any additional tax payment, after the  
16 subtraction, due as shown on the Tax Return of the Major  
17 Corporation or Major FSM Branch, as the case may be,  
18 shall be paid by the last business day of the sixth  
19 month period following the last day of the fiscal year  
20 of the Major Corporation or Major FSM Branch,

1           respectively.

2                       (b) If the Major Corporation or Major FSM Branch  
3           pays, an amount less than the tax due as shown on the  
4           annual tax return by the last business day of the six  
5           month period following the last day of the fiscal year  
6           of the Major Corporation or Major FSM Branch,  
7           respectively, it shall pay interest on the delinquent  
8           tax balance of one half of one percent (0.5%) for each  
9           full month until the full amount is paid.

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

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\_\_\_\_\_ January 31, 2019

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/s/ Peter M. Christian  
Peter M. Christian  
President  
Federated States of Micronesia

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