

## CHAPTER 8

### Revenue Administration

**Editor's note:** Another version of chapter 8 of this title is provided following this chapter. This second version of this chapter is for reference purposes only, as of the time of this codification, the second version of chapter 8 was null and void pursuant to section 87 of PL 17-50, as amended by section 1 of PL 17-83 (section 934 of chapter 8 of the version that follows).

#### SECTIONS

- § 801. Tax liens.
- § 802. Civil action of enforcement.
- § 803. Rules and regulations—Promulgation by Secretary of Finance.
- § 804. Transactions to be recorded; Penalties for violations.
- § 805. Distribution of revenues.

#### **§ 801. Tax liens.**

Any taxes imposed or authorized under this title upon property shall be a lien upon the property and may be collected by levy upon it in the same manner as the levy of an execution.

**Source:** TT Code 1966 § 1147(a); TT Code 1970, 77 TTC 151; TT Code 1980, 77 TTC 151.

**Cross-reference:** The statutory provisions on lien on property are found in § 153 and § 226 of this title.

#### **§ 802. Civil action of enforcement.**

Any taxes or license fees imposed or authorized under this title or under any district law may also be collected by a civil suit brought either in the name of the taxing unit concerned or in the name of the person authorized to collect the same. In such civil suit a written statement of the treasurer of the unit concerned, as to the amount of tax due, the fact that it is unpaid, and who is authorized to collect it, shall be sufficient evidence of these matters unless the contrary is expressly shown.

**Source:** TT Code 1966 § 1147(b); TT Code 1970, 77 TTC 152; TT Code 1980, 77 TTC 152.

**Cross-reference:** The statutory provisions on the Judiciary are found in title 4 of this code. The statutory provisions on Judicial Procedures are found in title 6 of this code.

### **§ 803. Rules and regulations--Promulgation by Secretary of Finance.**

(1) The Secretary of Finance, with the approval of the President of the Federated States of Micronesia, shall prescribe such rules and regulations as are necessary to collect all taxes, fees, and charges levied or imposed under this title and all such taxes, fees, and charges shall be deposited in the General Fund of the Federated States of Micronesia for appropriation by the Congress of the Federated States of Micronesia.

(2) Such rules and regulations shall wherever practicable require payment in full of all taxes, fees, and charges immediately upon assessment, and in the case of import taxes, no later than 15 days after the departure of the vessel or planes on which the products subject to import taxes arrived and before any merchandise is released by the carrier or his agent to the importer and, in the case of export taxes, before any merchandise is loaded on any vessel or aircraft.

**Source:** COM PL 3-32 § 1 (part); TT Code 1970 77 TTC 154; TT Code 1980 77 TTC 154; PL 1-83 § 1(1); PL 4-114 § 12.

**Errata:** In subsection (2), “plans” is changed to “planes” to correct a typographical error. PL 4-114 § 12.

### **§ 804. Transactions to be recorded; Penalties for violations**

(1) Every person, firm, corporation, or association engaging in any transaction subject to a tax, fee or charge levied or imposed under this title shall keep a full and accurate record of each such transaction engaged in by him and such record shall be available for examination by the Secretary of Finance or his authorized representative for at least three years after the date of such transaction.

(2) Any person, firm, corporation, or association willfully failing to keep or make available for examination such records shall be guilty of a misdemeanor and upon conviction thereof shall be punished in accordance with the terms of section 901 of this title, and, in addition thereto, shall be subject to the immediate revocation of any relevant existing license to do business in the Federated States of Micronesia.

**Source:** COM PL 3-32 § 1 (part); TT Code 1970, 77 TTC 155; TT Code 1980, 77 TTC 155; PL 1-83 § 1(2).

### **§ 805. Distribution of revenues.**

(1) (a) The treasurer of the Federated States of Micronesia shall pay eighty percent of the net taxes collected pursuant to section 221(9) of this title and, beginning January 1, 2004 and continuing thereafter, 50 percent of all other net taxes collected pursuant to sections 121, 141, and 221 of this title into the treasury of the State government to which the taxes are attributable for appropriation by the State legislature.

(b) Twenty five percent of the amount remaining, after the transfer of funds pursuant to subsection (1)(a) of this section, of the net taxes collected pursuant to subsection 221(1) of this title shall be placed in an account to be used solely for post-graduate school scholarships or full-time post-secondary courses of study

leading to commercial Federal Aviation Administration (FAA) licenses, ratings and certifications. The allottee of the scholarship funds shall be the President of the Federated States of Micronesia or his designee;

(c) Except as specifically provided in parts (a) and (b) of this subsection, all net taxes collected shall be part of the General Fund of the Federated States of Micronesia, subject to appropriation by Congress pursuant to title 55 of this code.

(2) "Net taxes" as used in subsection (1) of this section means gross collections of taxes, penalties, interest, or other related charges less refunds.

**Source:** COM PL 3-32 § 1 (part); TT Code 1970, 77 TTC 156; COM PL 4C-4 § 2; COM PL 5-91 § 1; COM PL 6-52 § 4; COM PL 6-118 § 4; TT Code 1980, 77 TTC 156; PL IC-26 § 3; PL 4-114 § 13; PL 7-41 § 4; PL 9-139 § 58; PL 10-68 § 1; PL 13-21 § 1; PL 13-60 § 2; PL 15-24 § 1.

**Cross-reference:** Title 55 of this code is on Government Finance and Contracts. The statutory provisions on the FSM Congress are found in title 3 of this code.

**Editor's note:** PL 7-41 § 5 repealed § 806 of this chapter.