



GOVERNMENT OF KOSRAE

Office of the Governor

Post Office Box 158

Kosrae, Federated States of Micronesia 96944

Telephone: 691-370-3002/3003..Facsimile: 691-370-3162

October 28, 2011

GOV. MSG. NO. 10-49

10-28-11
The Honorable Lyndon P. Abraham
Speaker
Tenth Kosrae State Legislature
Tofol, Kosrae FM 96944

Dear Mr. Speaker,


Pain kom a kulo nu sin God ke moul mwowo lasr nukewa.

Nga engan in akkalemeye la nga sign L.B. No. 10-21, su inge a orala State Law No. 10-17.

“To amend Chapter 4 of Title 9 of the Kosrae State Code to enact a new Section 9.404 to require business owners and the Kosrae State Government to accurately identify the actual location of sales and transactions so as to ensure an accurate and equitable distribution of tax revenues to the municipalities; and for other purposes.”

Certified copy ke masap se inge pa attached nu ke letter luk.

Kulo ma lulap.


Lyndon H. Jackson
Governor
State of Kosrae

/jpa





TENTH KOSRAE STATE LEGISLATURE

P. O. Box 187

Tofol, Kosrae State

Federated States of Micronesia 96944

Telephone: (691) 370-3019/3177 * Fax: 370-2177

Web Page: www.kosraelegislature.org

Lyndon P. Abraham
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Palikun M. Shrew
VICE SPEAKER

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FLOOR LEADER

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Chang B. William
Gibson T. Siba
Lyndon P. Abraham
Tulensa W. Palik

TAFUNSAK:
Alokoa Joab Sigrak
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Maker L. Palsis
Robert I. Taulung

MALEM:
Jarinson M. Charley
Jefferson M. Timothy
Palikur. M. Shrew

UTWE:
Josaiah F. Waguk
Rinson H. Edmond

September 28, 2011

The Honorable Lyndon H. Jackson
Governor
State of Kosrae
Kosrae, FM 96944

Dear Governor Jackson:

I have the honor to transmit herewith for your consideration and action **L.B. NO. 10-21, TO AMEND CHAPTER 4 OF TITLE 9 OF THE KOSRAE STATE CODE TO ENACT A NEW SECTION 9.404 TO REQUIRE BUSINESS OWNERS AND THE KOSRAE STATE GOVERNMENT TO ACCURATELY IDENTIFY THE ACTUAL LOCATION OF SALES AND TRANSACTIONS SO AS TO ENSURE AN ACCURATE AND EQUITABLE DISTRIBUTION OF TAX REVENUES TO THE MUNICIPALITIES; AND FOR OTHER PURPOSES.**, which passed the Legislature, Second Special Session, by two-thirds of the members of the Legislature, a quorum being present.

Respectfully yours,

Tosie K. Elley
Chief Clerk
Tenth Kosrae State Legislature

Enclosures

TENTH KOSRAE STATE LEGISLATURE
SECOND SPECIAL SESSION
SEPTEMBER 27, 2011

A BILL FOR AN ACT

TO AMEND CHAPTER 4 OF TITLE 9 OF THE KOSRAE STATE CODE TO ENACT A NEW SECTION 9.404 TO REQUIRE BUSINESS OWNERS AND THE KOSRAE STATE GOVERNMENT TO ACCURATELY IDENTIFY THE ACTUAL LOCATION OF SALES AND TRANSACTIONS SO AS TO ENSURE AN ACCURATE AND EQUITABLE DISTRIBUTION OF TAX REVENUES TO THE MUNICIPALITIES; AND FOR OTHER PURPOSES.

INTRODUCED Senator

Alokoa J. Sigrah

DATE: March 16, 2011

ACTION BY THE LEGISLATURE

PASSED FIRST READING: September 7, 2011

REFERRING TO: Committee on W&M
(SCR. No. 10-73 – A – 090711)

PASSED SECOND READING: September 27, 2011



Tosie K. Elley
Chief Clerk

KOSRAE STATE LEGISLATURE



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LEGISLATIVE BILL NO. 10-21

We hereby certify that the foregoing Bill has passed Second and Final Readings in the Legislature, Second Special Session, 2011, by two-thirds of the members of the Tenth Kosrae State Legislature, a quorum being present.

Lyndon P. Abraham
Speaker
Tenth Kosrae State Legislature

Tosie K. Elley
Chief Clerk
Tenth Kosrae State Legislature

A BILL FOR AN ACT

To amend Chapter 4 of Title 9 of the Kosrae State Code to enact a new Section 9.404 to require business owners and the Kosrae state Government to accurately identify the actual location of sales and transactions so as to ensure an accurate and equitable distribution of tax revenues to the municipalities; and for other purposes.

BE IT ENACTED BY THE KOSRAE STATE LEGISLATURE

1 Section 1. Findings and Purpose. The Legislature finds that there is a practice whereby
2 business owners when making declarations of sales have been the parties designating the
3 locations for those sales without any reference to the true location of sales. This practice has
4 resulted in great inaccuracies of the recording of the numbers of sales being attributed to
5 municipalities and may have resulted in certain municipalities not receiving the full share of
6 revenues that they were entitled to. The Legislature further finds that it is necessary to amend
7 Chapter 4 of Title 9 of the Kosrae State Code to enact a new Section 9.404 to require businesses
8 and the State Government to accurately record the actual sales in each of the municipalities and
9 to no longer allow for sales to be attributed to municipalities by the business operators.

10 Section 2. Amendment. Chapter 4 of Title 9 of the Kosrae State Code is hereby
11 amended by the enactment of a new Section 9.404 to read as follows:

12 “Section 9.404. Location of Sales and Transactions. Notwithstanding any
13 regulation to the contrary, in order to fairly comply with the requirements for distribution of
14 “Sales Taxes” to the municipalities, businesses are required to provide accurate data to the State
15 Government reflecting the actual sales and transactions made in each municipality and may not
16 arbitrarily designate the percentage attributed to each municipality.”

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1 Section 3. Effective Date. This act takes effect upon the approval of the Governor or
2 upon its becoming law without such approval.

3 PASSED BY THE TENTH KOSRAE STATE LEGISLATUER ON 27TH DAY OF SEPTEBER
4 2011.

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8 
Lyndon P. Abraham
9 Speaker, 10th Kosrae State Legislature

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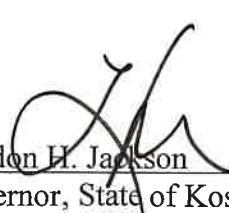
12 Attested by: 
13 Chief Clerk

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18 
Lyndon H. Jackson
19 Governor, State of Kosrae

19

20 Date: 10-28-11

