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AN ACT

To further amend Section 51 of Title 77 of the Trust Territory Code, as amended by Public Law No. IC-26, collection of import taxes on cigarettes and all other tobacco products brought into the Federated States of Micronesia for any purpose, 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  
2 amended, is hereby further amended to read as follows:

3 "Section 51. Import Taxes.

4 (1) The following import taxes are hereby levied on all  
5 products specified herein which are imported into the Federated  
6 States of Micronesia for resale except that the taxes levied  
7 under Subsections (a), (b), (e), (f), and (g) of this Section  
8 shall apply to products which are imported into the Federated  
9 States of Micronesia for personal use and consumption as well as  
10 for resale:

11 (a) Cigarettes, at the rate of seven cents per every  
12 twenty cigarettes, except that any person may bring into any  
13 state of the Federated States of Micronesia up to one carton or  
14 200 cigarettes per trip tax-free, if such cigarettes are for  
15 that person's use and consumption and not for resale;

16 (b) Tobacco, other than cigarettes, at the rate of  
17 fifty percent ad valorem, except that any person may bring into  
18 any state of the Federated States of Micronesia up to one pound  
19 of tobacco or 20 cigars per trip tax-free, if such tobacco  
20 products are for that person's use and consumption and not for  
21 resale;

22 (c) Perfumery, cosmetics and toiletries, including

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1           cologne and other toilet waters, articles of perfumery, whether  
2           in sachets or otherwise, and all preparations used as applica-  
3           tions to the hair or skin, lipsticks, pomades, powders and  
4           other toilet preparations not having medicinal properties, at  
5           the rate of twenty-five percent ad valorem;

6                   (d) Soft drinks and nonalcoholic beverages, at the  
7           rate of two cents on each twelve fluid ounces or fractional  
8           part thereof;

9                   (e) Beer and malt beverages, at the rate of four  
10          cents per can or bottle of twelve fluid ounces or fractional  
11          part thereof;

12                   (f) Distilled alcoholic beverages, at the rate of  
13          seven dollars per wine gallon, except that any person permitted  
14          by applicable state law to possess, consume and use distilled  
15          alcoholic beverages, may bring into such state of the Federated  
16          States tax free, an amount of liquor not to exceed two fifths  
17          of a wine gallon per trip, if such liquor is for his personal  
18          use and consumption and not for resale;

19                   (g) Wine, at the rate of two dollars per wine gallon,  
20          except that this tax shall not apply to any religious organiza-  
21          tion which is importing or receiving into the Federated States  
22          sacramental wine for use in the religious rites of such  
23          organization;

24                   (h) Foodstuffs for human consumption, at the rate of  
25          one percent ad valorem;

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

3 (j) All other imported products, except those  
4 specified above, at the rate of three percent ad valorem.

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

9 (3) Any person who imports commodities into the Federated  
10 States of Micronesia, and then exports them to a buyer who is  
11 outside of the territorial limits of the Federated States of  
12 Micronesia shall be entitled to a refund of any import taxes  
13 actually paid on such commodities upon application to the  
14 Secretary of Finance."

15 Section 2. This act shall become law upon approval by the President  
16 of the Federated States of Micronesia or upon its becoming law without  
17 such approval.

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August 31, 1981

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Tosiwo Nakayama  
Tosiwo Nakayama  
President  
Federated States of Micronesia

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