

FOURTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

THIRD REGULAR SESSION, 1986 CONGRESSIONAL BILL NO. 4-242, C.D.1, C.D.2

PRESIDENTIAL COMM. NO. 4-173
FSM CONGRESS

AN ACT

To amend section 116 of title 54 of the Code of the Federated States of Micronesia by adding a new subsection (5) for the purpose of allowing a State official access to revenue records and filings from his State; to renumber subsections (5) and (6); to amend section 118 of title 54 of the Code of the Federated States of Micronesia to apply criminal penalties to any violation of new subsection (5) of section 116; and for other purposes.

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

1 Section 1. Section 116 of title 54 of the Code of the Federated
2 States of Micronesia is hereby amended by adding a new subsection (5)
3 to read as follows:

4 "Section 116. Preservation and disclosure of information.

5 (1) All reports and returns required by this chapter
6 shall be preserved for three years and thereafter until the
7 Secretary orders them to be destroyed.

8 (2) The Secretary and every employee of the Department
9 of Finance shall maintain the secrecy of all matters
10 relating to this chapter which come to their knowledge and
11 shall not communicate such matters to any person except for
12 the purpose of carrying into effect this chapter or any
13 other enactment imposing taxes or duties payable to the
14 Government of the Federated States of Micronesia.

15 (3) No employee of the Department of Finance shall be
16 required to produce in any court any matter or thing
17 relating to the taxes imposed by this chapter coming under
18 his notice in the performance of his duties as an employee
19 of the Revenue Division except when it is necessary to do so
20 for the purpose of carrying into effect any provision of
21 this chapter or any other enactment imposing duties or taxes
22 payable to the Government of the Federated States of



1 Micronesia.

2 (4) Information as to the amount of income or any
3 particular set forth or disclosed in any report or return
4 required under this chapter may, upon request of a committee
5 appointed by the Congress of the Federated States of Micro-
6 nesia, be furnished to the committee, but the committee or any
7 member, clerk, or other officer or employee thereof shall not
8 disclose any particulars of the information so furnished except
9 to law enforcement officers for the purpose of aiding the
10 detection or prosecution of crimes committed in violation of this
11 chapter.

12 (5) The Governor of each State may appoint one
13 representative of his administration who shall have access to all
14 returns, reports, or other information on file with the
15 Department of Finance as may be necessary to show that the
16 required distribution of revenues to his State has been made.
17 Each Governor shall make the appointment of his representative
18 known to the Secretary of Finance. The appointee may share
19 information acquired hereunder with the Governor of his State.
20 The Governor and his appointee may not disclose the
21 information to any other person except for the specific
22 purpose of ensuring that the required distribution of
23 revenues to their State has been made, or except as otherwise
24 provided for by law.

25 (6) The Attorney General or other legal representatives

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1 of the Government of the Federated States of Micronesia may
2 inspect the report of return of any taxpayer who brings an action
3 to set aside or review the tax based thereon, or against whom an
4 action or proceeding has been instituted to recover any tax or
5 any penalty imposed by this chapter.

6 (7) Nothing herein shall prohibit the Secretary or his
7 delegate from compiling and publishing statistics or information
8 generally on the returns filed so long as there is no reference
9 to a particular return and the statistics and the information do
10 not in effect divulge the contents of any one return."

11 Section 2. Section 118 of title 54 of the Code of the Federated
12 States of Micronesia is hereby amended to read as follows:

13 "Section 118. Penalties for violations of sections 116 and 117.
14 Any violation of subsections (2), (3), (4), or (5) of section 116
15 or violation of section 117 of this chapter shall be a mis-
16 demeanor and shall be punishable by a fine of not more than \$500,
17 or imprisonment for not more than six months, or both."

18 Section 3. This act shall become law upon approval by the President
19 of the Federated States of Micronesia or upon its becoming law without
20 such approval.

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July 2, 1986

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Tosiwo Nakayama
Tosiwo Nakayama
President
Federated States of Micronesia

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