

W&M

A BILL FOR AN ACT

To amend the Kosrae State Code by amending Section 9.301 to Chapter 3 of Part 1 of Title 9 and by inserting new Section 9.302 to Chapter 3 of Part 1 of Title 9; and for other purposes.

BE IT ENACTED BY THE KOSRAE STATE LEGISLATURE

1 Section 1. Purpose. The purpose of this Act is to amend the Kosrae State Code by
2 amending Section 9.301 to Chapter 3 of Part 1 of Title 9 by increasing the transaction tax
3 from five percent to ten percent and by adding a new sub-section (8) to Section 9.301 to
4 include FSM Telecommunications Corporation phone cards as a transaction which is
5 subject to transaction tax.

6 Section 2. Amendment. Section 9.301 to Chapter 3 of Part 1 of Title 9 is hereby
7 amended to read:

8 Section 9.301. Transaction tax. A transaction tax of ten percent of the value of the
9 transaction price received attaches to the following transactions:

- 10 (1) Lease of office or dwelling place;
- 11 (2) Lodging;
- 12 (3) Meal;
- 13 (4) Motor vehicle rental; and
- 14 (5) Video tape or film, disc. or any other electronic recording for rent;
- 15 (6) Equipment rental; and

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1 (7) Land leases.

2 (8) Phone cards

3 The consumer who purchases, leases or rents the goods or property, pays this tax at
4 the time of the transaction.

5 Section 3. Purpose. The purpose of this Act is to further amend the Kosrae State
6 Code by inserting new section 9.302 to Chapter 3 of Part 1 of Title 9 to provide for a
7 separate transaction tax for transactions of residential, commercial, government and large
8 users of pre-paid (CashPower) meter or post-paid (regular) meter of electric power
9 services provided by Kosrae Utilities Authority

10 Section 4 Amendment: Title 9, Part 1, Chapter 3, of the Kosrae State Code is
11 hereby amended by inserting under Chapter 3 Section 9.302 to read as follows:

12 “Section 9. 302: Transaction tax for users of electric power services: “ A
13 transaction tax of ten percent of the value of the transaction price attaches to the following
14 transactions concerning respectively residential, commercial, government and large users
15 of pre-paid (Cashpower) meter or post-paid (regular) meter of electric power services
16 provided by Kosrae Utilities Authority

17 The user of pre-paid (CashPower) meter of electric power services provided by
18 Kosrae Utilities Authority pays this tax when the user purchases Cashpower . The user of
19 post -paid (regular) meter electric power services provided by Kosrae Utilities Authority

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1 pays this tax upon the user paying the account rendered for provision of these services by
2 the Kosrae Utilities Authority.

3 Section 5. Effective Date. This Act takes effect from October 01, 2020.

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6 Date: 05/06/20

Introduced by: 
Rolner V. Joe