

R&D

A BILL FOR AN ACT

To amend the Kosrae State Code: by amending Section 7.1205 of Title 7 at Chapter 1 of the Kosrae State Code so that the Kosrae Utility Authority is no longer exempt from any taxes or assessments; 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 7.1205 of Title 7 at Chapter 1.

3 Section 2. Amendment. Title 7, Chapter 1, Section 7.1205 of the Kosrae State Code is
4 hereby amended to read:

5 “Section 7.1205. Tax liability.

6 The Authority exists and operates solely for the benefit of the public, ~~and is~~
7 ~~exempt from any taxes or assessments on any of its property, operations or activities~~
8 ~~imposed by the Kosrae State Government or local governments or, to the extent allowable,~~
9 ~~the Government of the Federated States of Micronesia.~~ Nothing herein may be deemed to
10 exempt employees and independent contractors of the Authority from tax liability for
11 services rendered to the Authority, and the Authority is liable for employer's social
12 security contributions in the manner provided by law.”

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

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Date: *July 18, 2020*

Introduced by: *[Signature]*
Rolner L. Joe