

Proposal No.: CC-PR-4-20

Assigned to: Committee on Public Finance & Revenue

## PROPOSAL TO AMEND THE CONSTITUTION

To amend section 5 of article IX of the Constitution of the Federated States of Micronesia to increase the minimum revenue sharing from 50% to 60% and to require that all national revenues collected regardless of source or manner of collection are shared with the states and local governments for uses approved in such states and local governments' plans.

**Section 5.** National taxes shall be imposed uniformly. Not less than ~~50%~~ 60% of ~~the~~ all National revenues collected, regardless of source or manner of collection, shall be divided and shared equitably among the states and paid into the treasury treasuries of ~~the~~ each of the states and municipal governments. ~~state where collected.~~

### PUPROSE AND INTENT OF AMENDMENT:

If we deepened our hearts and minds, we will all arrived at the inescapable conclusion that our local governments are the bedrocks and foundations of our federation or nation. Our municipal governments have existed from time immemorial. Except for those citizens who have migrated abroad seeking better opportunities and benefits provided under the Amended Compact, most of our citizens remain and live at homes in their municipalities. Our Constitution has served us fairly well for the past 40 years and we must admit that we have failed to provide better delivery of public services to our people. We need to change our mindset and attitude to seek for ourselves or our state first and everyone else is secondary. We must try to instill what has been missing for the past 40 years, that sense of patriotism, oneness, loyalty, and sense of togetherness or belonging to one country, our country FSM. We should accept each other as one family and as members of the same family as so repeatedly stated by the Honorable Delegate Ricky F. Cantero.


As one family we must learn to accept and share the resources of our nation fairly and justly for all. Equitable sharing must be considered whenever resources are available and considered for sharing with all of us. No one should be left behind. As one family, we must make sure that we progress together as much as possible or practicable. Thus, it is only prudent, right, fair, and just that the 40% of the revenues raised or collected regardless of source and the manner of collection be allocated to the national government so that together with its share under the fishing fees, sufficient funds are allocated to meet its needs. The 60% proposed to be allocated to the states and municipal governments should be allocated base on equitable sharing amongst the states' and municipal governments whose proposed uses must be provided in approved plans of the states and municipal governments. This is to ensure that effective uses of such funds are results of well careful planning and that governments are accountable to the people for their uses.

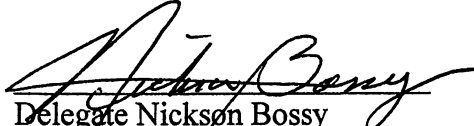
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Revenue

Again, if we develop our municipalities first then our state and nation well-being will be enhanced accordingly. This proposal is intended to cover the MRA funds which the national government has yet to share with the states and people in our municipalities.

Introducers:

  
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Date:

01/14/2020