AN ACT

To further amend title 53 of the Code of the Federated States of Micronesia, as amended, by amending section 704 to permit tax information sharing between the Department of Finance and Administration and the Social Security Administration, and for other purposes.

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

Section 1. Section 704 of title 53 of the Code of the
Federated States of Micronesia is hereby amended to read as
follows:

"Section 704. Maintenance of records – Disclosure of
records.

(1) The Administrator shall receive and maintain files
and records of all employers and all employees subject
to this subtitle. Such records shall not be disclosed
to any person except as may be required in the
administration of this subtitle or in connection with a
hearing conducted in accordance with the provisions of
this subtitle.

(2) Notwithstanding the foregoing or any other
provision of law, the Administrator, the Secretary of
the Department of Finance and Administration, and their
designated employees, are authorized to exchange tax
information with one another for the purpose of cross-
matching taxpayer returns and records and identifying
noncompliance with this title or with other tax statutes. Information received by an agency pursuant to the foregoing sentence shall be subject to the confidentiality rules of that receiving agency. The Administrator and the Secretary of the Department of Finance and Administration shall determine who shall be 'designated employees' for the purpose of this section."

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

December 10, 2002

/s/ Leo A. Falcam
Leo A. Falcam
President
Federated States of Micronesia