



AMERICAN SAMOA GOVERNMENT
PAGO PAGO, AMERICAN SAMOA 96799
LEGISLATURE OF AMERICAN SAMOA

In reply refer to:

C E R T I F I C A T I O N

Senate Chamber
December 8, 1987

I certify that Senate Bill No. 92 passed third reading on this date in the Senate during its Second Special Session of the Twentieth Legislature of American Samoa.

Lialysa Muses
for MRS. SALILO K. LEVI
Secretary of the Senate

House Chamber
February 12, 1988

I certify that Senate Bill No. 92 passed third reading on this date in the House of Representatives during its Third Regular Session of the Twentieth Legislature of American Samoa.

Wally F. Utu
WALLY F. UTU
Chief Clerk
House of Representatives

THE TWENTIETH LEGISLATURE OF AMERICAN SAMOA

Third Regular Session

Begun and held at Fagatogo, Tutuila, American Samoa
on Monday, the eleventh day of January
one thousand nine hundred and eighty eight

AN ACT TO RESTORE TAX REVENUES LOST BY AMERICAN SAMOA AS A CONSEQUENCE OF THE ENACTMENT BY THE UNITED STATES CONGRESS OF THE TAX REFORM ACT OF 1986; CREATING NEW SECTIONS 11.0533 AND 11.0534 ASCA.

BE IT ENACTED BY THE LEGISLATURE OF AMERICAN SAMOA:

Section 1. This act may be cited as the "Revenue Recoupment Act of 1987".

Sec 2. Legislative findings and purposes.

The Legislature finds and declares that:

(1) the United States Congress, by its enactment of the Internal Revenue Code of 1986 through the Tax Reform Act of 1986, has substantially reduced the statutory rate of tax imposed upon corporations under prior law in the Internal Revenue Code of 1954, effective for taxable years beginning on or after July 1, 1987:

(2) if no action is taken by the Legislature of American Samoa, the corporate statutory tax rate reduction adopted in the United States will become effective in American Samoa;

(3) the economic consideration which led the United States Congress to provide substantial reductions in tax rates are not applicable across the board to American Samoa's island economy;

(4) the application of the reduced corporate statutory tax rates to all corporations doing business in American Samoa can be expected to result in a substantial loss of tax revenues and in substantial budgetary deficits;

(5) it is desirable to pass on to smaller corporations the benefit of tax rate reduction in order to encourage diversification of the American Samoa economy;

(6) there is no such justification for passing on the benefits of rate reduction to large corporate enterprises which, as a general matter, place a strain on governmental facilities, services and utilities, and which frequently operate under generous tax exemption agreements;

(7) in order to secure the welfare of the Territory and its inhabitants, and to avoid substantial budgetary deficits, it is desirable to restore those corporate tax revenues which will otherwise be lost and to achieve such recoupment of revenue by adjusting corporate tax rates for purposes of tax collections under American Samoa law and by adopting other revenue measures.

Sec 3. There is created a new section 11.0533 which reads:

"11.0533 Partial recoupment of corporate taxes.

(a) Section 11(b), relating to the amount of tax imposed on corporations for taxable years beginning on and after July 1, 1987, is amended to read:

11(b) Amount of the tax.

The amount of tax imposed by subsection (a) shall be the sum of -

(1) 15 percent of so much of the taxable income as does not exceed \$50,000,

(2) 25 percent of so much of the taxable income as exceeds \$50,000 but does not exceed \$75,000,

(3) 34 percent of so much of the taxable income as exceeds \$75,000 but does not exceed \$650,000, and

(4) 44 percent of so much of the taxable income as exceeds \$650,000.

In the case of a corporation which has taxable income in excess of \$100,000 for any taxable year, the amount of tax determined under the preceding sentence for such taxable year shall be increased by the lesser of (a) 5 percent of such excess, or (b) \$11,750.

(b) This recoupment of corporate taxes shall be in effect until 1 July 1989. Thereafter the corporate tax shall be in accordance with the Federal Tax Reform Act of 1986."

Sec 4. There is created a new section 11.0534 which reads:

"11.0534 Maximum tax imposed upon corporations.

Notwithstanding the provisions of section 11.0533, the maximum amount of income tax imposed in a taxable year upon any corporation operating under a certificate of exemption issued pursuant to the tax incentives for businesses act, section 11.1601 et seq., shall not exceed the amount of income tax which would have been imposed upon such corporation in such year under the provisions of this title, as in effect on December 31, 1986 (without regards to the Tax Reform Act of 1986, U.S. Public Law No. 99-514) and as applied in accordance with the terms of the certificate of exemption issued to such corporation."

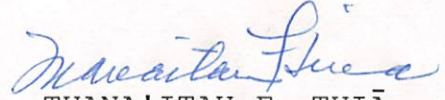
Sec 5. Conforming amendments.

In Title 11 ASCA, every reference to the "United States Internal Revenue Code of 1954" or to the "Internal Revenue Code of 1954" shall be redesignated as the "United States Internal Revenue Code of 1986" or the "Internal Revenue Code of 1986", respectively, and individual sections of such 1986 Code

as so incorporated in Title 11 ASCA shall reflect such section redesignations as the United States Congress shall make from time to time.




LETULI TOLOA
President of the Senate



TUANA'ITAU F. TUIĀ
Speaker of the House

Hereby Approved this 29th day of February, 19 88



Governor of American Samoa

NOFOAIGA LUASEFULU FONOFAITULAFONO O AMERIKA SAMOA

Fono Tele Lona Tolu

Nofoia ma usuia i Fagatogo, Tutuila, Amerika Samoa
Aso Gafua, aso sefulutasi o Ianuari
tasi le afe iva selau valusefulu valu

O SE TULAFONO IA TOE MAUA ALAGATUPE GOTO TAU LAFOGA I AMERIKA SAMOA E PEI O SE IUGAFONO O LE FA'ATULAFONOINA I LE KONEKERESI A LE IUNAITE SETETE O LE TULAFONO LAFOGA TOE-FUATA'I O LE 1986; FA'AVAEINA MAGA FOU 11.0533 MA LE 11.0534 TFAS.

IA FAATULAFONOINA E LE FONOFAITULAFONO O AMERIKA SAMOA:

Maga 1. O lenei tulafono e mafai ona ta'ua e avea o le "Tulafono Alagatupe Taofi Nofo Aitalafu ai o le 1987."

Maga 2. Su'esu'ega ma mafua'aga Faale-Tulafono.

O su'esu'ega Faale-Fonofaitulafono ma fa'alauiloa ona:

(1) O le Konekeresi a le Iunaite Setete, i lana fa'atulafonoina o le Tusitulafono Alagatupe i Totonu o le 1986 mai le Tulafono Lafoga Toefuata'i o le 1986, ua fa'aitiitia moni le totogi fa'atulafono o lafoga ua fa'ae'e i luga o fa'alapotopotoga i lalo o le tulafono muamua i le Tusitulafono Alagatupe i totonu o le 1954, taualoaina mo tausaga fa'alafoga ia po'o le uma o Iulai 1, 1987;

(2) afai e leai se gaioiga ua faia e le Fonofaitulafono o Amerika Samoa, o le fa'aitiitia o totogi o lafoga fa'atulafono tau fa'alapotopotoga ua avea ma tulafono i le Iunaite Setete o le a taualoaina i Amerika Samoa;

(3) o le iloiloiga tau tamaoaiga ua ta'ita'iina ai le Konekeresi a le Iunaite Setete ia saunia ai fa'aitiitia moni i totogi tau lafoga ua le talafeagai ma le tulaga o iai i le tamaoaiga o motu o Amerika Samoa.

(4) o le tusi talosaga o le fa'aitiitia o totogi tau lafoga fa'atulafono tu'ufa'atasi i fa'alapotopotoga uma o lo'o faia pisinisi i Amerika Samoa e mafai ona fua-fuaina i le mafua'aga i se goto moni o alatupe tau lafoga ma le aitalafu moni o tupe fa'atatau;

(5) ua mana'omia ia pasia i se tulaga o fa'alapotopotoga laiti tele o alagamanuia fa'aitiitia o totogi tau lafoga ina ia u'una'i le fa'atupuina eseese o le tamaoaiga o Amerika Samoa;

(6) ua leai se isi fa'amaoniga mo le pasia o alagamanuia o tupe fa'aitiitia i pisinisi tetele tu'ufa'atasi ua iai, e pei o se mataupu lautele, tu'u se malosi i luga o tulaga fa'ale-malo, tautua ma tulaga aoga, mai le galueaina masani i lalo o feagaiga fa'agafua tau lafoga tetele;

(7) mo le mafua'aga ia maua le manuia o le Teritori ma ona tagatanu'u, ma ia tineia ai le aitalafu o tupe fa'atatau moni, ua mo'omia ia toe maua nei alatupe fa'a-lafoga pisinisi tetele e tatau ai lava afai e leai ua goto ma ia faia le toe totogi o tupe mai le fuafuaina tupe totogi fa'alafofa pisinisi tetele mo mafua'aga o tupe a'o fa'alafofa i lalo o le tulafono Amerika Samoa ma ia talia isi tulafono tupe.

Maga 3. Ua fa'avaeina se maga fou 11.0533 e faitauina:

"11.0533 Vaega tupe toe totogi o lafoga pisinisi tetele.

(a) Maga 11 (e), fa'asino i le aofa'i o lafoga fa'ae'e i fa'alapotopotoga mo tausaga fa'alafofaina amata i ma pe a mavae Iulai 1, 1987, ua suia e faitauina:

11 (e) Aofa'i o le lafoga.

O le aofa'i o lafoga fa'ae'e mai soamaga (a) ia fai ma aofa'iga o le:

(1) 15 pasene o le sili atu o le tupe maua fa'alafofaina e pei ona faia e le silia i le \$50,000,

(2) 25 pasene o le sili atu o le tupe maua fa'alafofaina e pei ona silia i le \$50,000 peita'i e le silia i le \$75,000,

(3) 34 pasene o le tele o tupe maua fa'alafofaina e sili atu i le \$75,000 peita'i e le silia i le \$650,000, ma

(4) e 44 pasene o le tele o tupe maua fa'alafofa e sili atu i le \$560,000.

I le tulaga o se fa'alapotopotoga e iai tupe maua fa'alafofaina i tupe totoe e \$100,000 mo so'o se tausaga fa'alafofaina, o le aofa'i o lafoga ua iloiloaina i lalo o le fuaiupu e mulimuli mai mo lea tausaga fa'alafofaina ia si'iina mai le numera itiiti e (a) 5 pasene o lea tupe totoe, po'o le (e) \$11,750.

(e) O lenei tupe goto o lafoga kamupani tetele e fa'amuta i le aso 1 Iulai 1989. E tusa o le lafoga kamupani tetele ia tusa ai ma le Tulafono o le Malo Tele Tau Lafoga o le 1986."

Maga 4. Ua fa'avaeina se maga fou 11.0534 e faitauina:

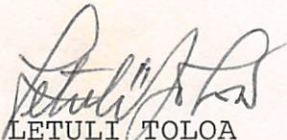
11.0534 Lafoga Maualalo ua fa'ae'e i fa'alapotopotoga.

E ui lava o puipuiga o le Maga 11.0533, o le aofa'i maualalo o lafoga tupe maua ua fa'ae'e i se tausaga fa'alafofa i so'o se fa'alapotopotoga fa'agaoioi i lalo o se tusi molimau o fa'agafuaga ua tu'uina atu e tusa ai o lagona tau lafoga mo tulafono fa'apisinisi, maga 11.1601 ma isi, ia le sili atu le aofa'i o tupe tau lafoga e tatau ona fa'ae'e i

luga o lea fa'alapotopotoga i lea tausaga i lalo o puipuiga o lenei vaega, e pei ona maua ia Tesema 31, 1986 (e aunoa e tusa ai i le Tulafono Lafoga Toefuata'i o le 1986, U.S. Tulafono Lautele Nu. 99-514) ma e pei ona fa'aaoga e tusa ai ma le fa'aupuga o le tusi molimau o fa'agafuaga ua tu'una atu i lea fa'alapotopotoga."

Maga 5. Suiga e tusa ai.

I le Vaega II TFAS, so'o se fa'amatalaga i le "Tusitulafono Alatupe i Totonu o le Iunaite Setete o le 195" po'o le "Tusitulafono Alatupe i Totonu o le 1954" ia toe fa'aigoaina e pei o le "Tusitulafono Alatupe i Totonu o le 1986," e tusa ai, ma maga ta'itasi o lea Tusitulafono 1986 e matua so'ofa'atasi i le Vaega II TFAS ia atagia lea maga toe fa'aigoaina e pei o le konekeresi na te saunia mai lea taimi i lea taimi.



LETULI TOLOA
Peresetene, Maota Mau'aluga



TUANA'ITAU F. TUIĀ
Fofoga Fetalai, Maota o Sui

Hereby Approved this 29th day of February, 19 88



Governor of American Samoa