

AN ACT

To repeal Public Law No. 7-32, as amended, on the progressive income tax, and for other purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIL ERA KELULAU DO ENACT AS FOLLOWS:

1 Section 1. Legislative findings and purposes.

2 (a) The Congress hereby finds and declares the public
3 policy of the nation to be, as follows:

4 (1) Income taxes provide needed revenue to the
5 national government, however, tax laws should be a
6 tool to execute well thought-out national fiscal and
7 monetary policies as well as to generate revenue.

8 (2) Public Law No. 7-32 is inappropriate to
9 implement at this time as it presents both practical
10 and economic difficulties not acceptable to the
11 national government.

12 (3) The existing tax laws of the Republic of
13 Palau are sufficient until such time as the national
14 government has an opportunity to structure its fiscal
15 and monetary goals.

16 Section 2. Repeal of Public Law No. 7-32.

17 (a) Public Law No. 7-32, as amended by Public Law
18 Nos. 7-67, 7-8-15, and 7-94, is hereby repealed in its entirety
19 and is null and void in its application.

20 Section 3. Existing tax code.

21 (a) The laws of the Republic of Palau currently
22 relating to income taxes shall remain in effect unamended and
23 unchanged by the repeal of Public Law No. 7-32.

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1 Section 4. Effective Date. This Act shall take
2 effect upon its approval by the President of the Republic of
3 Palau, or upon its becoming law without such approval, except
4 as otherwise provided by law.

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PASSED: November 6, 1981

Approved this 18 day of November, 1981.

NOT SUSPENDED, PER SECRETARIAL
ORDER 3039
DATE: DECEMBER 14, 1981

/s/ Haruo I. Remeliik
Haruo I. Remeliik
President
Republic of Palau