



Republic of Palau
Office of the President

Tommy E. Remengesau, Jr.
President

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May 8, 2017
Serial No. 17-102

The Honorable Hokkons Baules
President of the Senate
10th Oblilil Era Kelulau
Ngerulmud, Palau National Capitol
Republic of Palau 96939

Re: Signing Statement: Senate Bill No. 10-35, HD1, Self-Employment Reporting Requirements

Dear Senate President Baules:


I am happy to sign into law today Senate Bill No. 10-35, HD1, which will amend RPPL 9-35 to streamline and improve the ease with which self-employed persons with no employees report their earnings to the National Government.

Before this important change, the income of a self-employed Palauan (without employees) was presumed to be 10% of that person's gross revenue in the preceding calendar year. This was, obviously, a confusing method of determining Social Security contributions, which created a bookkeeping hassle for small business owners in our Republic. This bill, by changing our focus to the current year, allows small businesses to work off of the numbers they have most recently generated.

It is incumbent upon the Republic of Palau to find ways in which we can help small businesses grow, clearing the way for our most industrious citizens to thrive. By allowing self-employed Palauans to report their income from the current year, instead of the preceding, this bill removes one more hurdle to successful entrepreneurship. Moving forward, I trust that this government will continue to identify ways that we can help businesses, both small and large, thrive in this country.

I look forward to working towards more common-sense solutions to improve the business landscape in the Republic of Palau.

Sincerely,


Tommy E. Remengesau, Jr.
President of the Republic of Palau



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May 8, 2017
Serial No. 17-102

The Honorable Sabino Anastacio
Speaker of the House of Delegates
10th Oblilil Era Kelulau
Ngerulmud, Palau National Capitol
Republic of Palau 96939

Re: Signing Statement: Senate Bill No. 10-35, HD1, Self-Employment Reporting Requirements

Dear Speaker Anastacio:

I am happy to sign into law today Senate Bill No. 10-35, HD1, which will amend RPPL 9-35 to streamline and improve the ease with which self-employed persons with no employees report their earnings to the National Government.

Before this important change, the income of a self-employed Palauan (without employees) was presumed to be 10% of that person's gross revenue in the preceding calendar year. This was, obviously, a confusing method of determining Social Security contributions, which created a bookkeeping hassle for small business owners in our Republic. This bill, by changing our focus to the current year, allows small businesses to work off of the numbers they have most recently generated.

It is incumbent upon the Republic of Palau to find ways in which we can help small businesses grow, clearing the way for our most industrious citizens to thrive. By allowing self-employed Palauans to report their income from the current year, instead of the preceding, this bill removes one more hurdle to successful entrepreneurship. Moving forward, I trust that this government will continue to identify ways that we can help businesses, both small and large, thrive in this country.

I look forward to working towards more common-sense solutions to improve the business landscape in the Republic of Palau.

Sincerely,


Tommy E. Remengesau, Jr.
President of the Republic of Palau



The Senate
TENTH OLBIIL ERA KELULAU
 P.O. Box 8, Ngerulmud
 Republic of Palau 96939

SECOND REGULAR Session

May 4, 2017

INTRODUCED AS SENATE BILL NO. 10-35, HD1

AN ACT

To further amend Title 41, as amended by RPPL 9-35, to specify that a self-employed person with no employees is presumed to receive in any quarter, as remuneration, ten percent of that person's gross revenue in the current calendar year, rather than the preceding calendar year; and for other related purposes.

INTRODUCED BY SENATOR (S) Mark U. Rudimch

YIAAII

DATE INTRODUCED March 7, 2017

SENATE ACTION

FIRST READING:	March 7, 2017
REFERRED TO:	Ways and Means and Financial Matters
STANDING COMMITTEE REPORT NO.:	10-15
DATE ADOPTED:	March 21, 2017
SECOND READING:	March 21, 2017
LEGAL FORMAT:	Proper
REVIEW:	March 22, 2017
THIRD READING:	March 22, 2017
FINAL READING:	May 2, 2017

HOUSE ACTION

FIRST READING:	March 23, 2017
REFERRED TO:	Ways and Means
STANDING COMMITTEE REPORT NO.:	10-18
DATE ADOPTED:	April 13, 2017
SECOND READING:	April 13, 2017
LEGAL FORMAT:	Proper
REVIEW:	April 27, 2017
THIRD READING:	April 27, 2017
FINAL READING:	N/A

CONFERENCE COMMITTEE ACTION

DATE:	N/A
COMMITTEE REPORT NO.:	N/A
DATE PASSED:	N/A
FINAL READING:	N/A

Ann L. Pedro
 Ann L. Pedro

CLERK OF THE SENATE

Marcello Ngirkelau
 Marcello Ngirkelau

CLERK, HOUSE OF DELEGATES

TENTH OLBIIL ERA KELULAU

First Special Session, March 2017

RPPL No. 10-8

Passed as: Senate Bill No. 10-35, HD1

AN ACT

To further amend Title 41, as amended by RPPL 9-35, to specify that a self-employed person with no employees is presumed to receive in any quarter, as remuneration, ten percent of that person's gross revenue in the current calendar year, rather than the preceding calendar year; and for other related purposes.

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

1 Section 1. Legislative findings.

2 The Olbiil Era Kelulau finds that it is difficult for a business owner to report his
3 own income with a delay of one year. The process would be simplified if business
4 owners were directed to report quarterly on income from the current calendar year,
5 rather than from the previous calendar year. As such, the Olbiil Era Kelulau finds it
6 necessary to further amend Title 41, as amended by RPPL 9-35, to specify that
7 reporting for self-employed individuals shall be on earnings in the current calendar
8 year, rather than those in the preceding calendar year.

9 Section 2. Amendment. Title 41 of the Palau National Code, as amended by
10 RPPL 9-35, is further amended to read as follows:

11 “§ 741. Self-employed persons.

12 (a) . . .

13 . . .

14 (c) A self-employed person who has, in a given quarter, no employee who
15 receives remuneration from him, shall be presumed to receive in any quarter, as
16 remuneration, ten percent (10%) of the self-employed person's gross revenue in the
17 current calendar year. However, if the self-employed person has reached retirement
18 age under Section 753, the self-employed person is exempt from contributions under
19 this subsection.

20 Section 3. Effective date.

21 This Act shall take effect upon its approval by the President of the Republic of
22 Palau, or upon its becoming law without such approval.

Approved this 9th day of MAY, 2017.



HE ~~Tommy~~ E. Remengesau, Jr.
President
Republic of Palau