

**No. 2991**

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**ISRAEL  
and  
UNITED STATES OF AMERICA**

**Exchange of notes constituting an agreement concerning exemption from excise, import taxes and customs duties of aircraft supplies. Tel Aviv and Hakiryra, 28 February 1951**

*Official text: English.*

*Registered by Israel on 1 November 1955.*

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**ISRAEL  
et  
ETATS-UNIS D'AMERIQUE**

**Echange de notes constituant un accord tendant à exempter des impôts indirects, des droits d'importation et des droits de douane les approvisionnements pour aéronefs. Tel-Aviv et Hakiryra, 28 février 1951**

*Texte officiel anglais.*

*Enregistré par Israël le 1er novembre 1955.*

No. 2991. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN ISRAEL AND THE UNITED STATES OF AMERICA CONCERNING EXEMPTION FROM EXCISE, IMPORT TAXES AND CUSTOMS DUTIES OF AIRCRAFT SUPPLIES. TEL AVIV AND HAKIRYA, 28 FEBRUARY 1951

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I

AMERICAN EMBASSY

Tel Aviv, February 28, 1951

No. 32

Excellency:

I have the honor to refer to the matter of the taxes paid by air transport companies of the United States on aviation gasoline, lubricants and other supplies purchased in Israel or imported into Israel for use by United States aircraft engaged in non-scheduled operations, and to invite your attention to certain provisions of United States law which may be of interest to your Government.

Section 3451 of the Internal Revenue Code of the United States provides for the exemption from excise and import taxes of articles sold in the United States for use as fuel supplies, ships' stores or legitimate equipment on civil aircraft engaged in foreign trade. The privileges granted under this section in respect of aircraft registered in a foreign country are allowed only if the Secretary of the Treasury has been advised by the Secretary of Commerce that he has found that such foreign country allows, or will allow, substantially reciprocal privileges in respect of aircraft registered in the United States. Such privileges are applicable both to scheduled and to non-scheduled air carriers.

Title 19 of the United States Code provides in Sections 1309 and 1317 for exemptions from customs duties for supplies imported into the United States for the use of aircraft engaged in foreign trade. As under Section 3451 of the Internal Revenue Code, the privileges granted by Sections 1309 and 1317 of Title 19 are granted in respect of aircraft registered in a foreign

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<sup>1</sup> Came into force on 1 March 1951 in accordance with the terms of the said notes.

country only if the Secretary of the Treasury has been advised by the Secretary of Commerce that such foreign country allows, or will allow, substantially reciprocal privileges in respect of aircraft registered in the United States. These privileges are also applicable both to scheduled and to non-scheduled air carriers.

The privileges granted under these sections are enjoyed in the United States by the air carriers of many countries on a reciprocal basis. The practice of granting tax exemption on aviation fuels and other supplies used in scheduled and non-scheduled air transport operations is widely established throughout the world. In view of these considerations, I have been directed by my Government to inquire whether the Government of Israel would be disposed to grant exemption, on the basis of reciprocity, from excise and import taxes and customs duties on fuel supplies, ships' stores and legitimate equipment purchased in Israel or imported into Israel for use by aircraft registered in the United States which are engaged in non-scheduled operations. If your reply is in the affirmative, I propose to recommend that the Secretary of Commerce advise the Secretary of the Treasury in accordance with the requirements of the United States law in order that the exemption may be made effective on March 1, 1951.

Please accept, Excellency, the renewed assurances of my highest consideration.

(Signed) Monnett B. DAVIS  
American Ambassador

His Excellency Mr. Moshe Sharett  
Minister for Foreign Affairs  
Hakiryá

## II

Hakiryá, 28 February 1951

Excellency,

I have the honour to refer to your note No. 32 dated February 28, 1951, and to inform you that the Government of Israel is prepared to grant reciprocity with respect to excise and import taxes, as provided under Section 3451 of the Internal Revenue Code of the United States; and with respect to customs duties, as provided under Sections 1309 and 1317 to Title 19 of the United States Code, on articles sold in or imported into Israel for use as fuel supplies, ships' stores or legitimate equipment on aircraft registered in the United States which are engaged in non-scheduled operations.

Please accept, Excellency, the renewed assurances of my highest consideration.

*(Signed)* Moshe SHARETT  
Minister for Foreign Affairs

His Excellency Mr. Monnett B. Davis  
Ambassador of the United States of America  
Ramat Gan