

No. 16325

**UNITED STATES OF AMERICA
and
ORGANIZATION FOR ECONOMIC CO-OPERATION
AND DEVELOPMENT**

**Exchange of letters constituting an agreement relating to
the reimbursement of income taxes. Paris, 14 and
15 September 1976**

Authentic text: English.

Registered by the United States of America on 27 January 1978.

**ÉTATS-UNIS D'AMÉRIQUE
et
ORGANISATION DE COOPÉRATION
ET DE DÉVELOPPEMENT ÉCONOMIQUES**

**Échange de lettres constituant un accord relatif au rem-
boursement de l'impôt sur le revenu. Paris, 14 et
15 septembre 1976**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 27 janvier 1978.

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND THE
ORGANIZATION FOR ECONOMIC CO-OPERATION AND DE-
VELOPMENT RELATING TO THE REIMBURSEMENT OF IN-
COME TAXES

I

UNITED STATES REPRESENTATIVE
TO THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

Paris, September 14, 1976

Dear Mr. Secretary-General:

I have been authorized to inform you that the United States Government can reimburse the Organization for Economic Cooperation and Development for the sums utilized to reimburse personnel subject to payment of United States Income Tax in order to equalize the remuneration of such personnel and that of staff members of the OECD not subject to national taxes. To do this, I propose below a formal agreement establishing the procedure:

“The United States Government understands that the Organization for Economic Cooperation and Development (OECD) will reimburse OECD staff members who are U.S. citizens, or otherwise liable to pay U.S. Income Taxes, for any U.S. Income Taxes paid on their OECD income through a special suspense account. The U.S. Government will be obligated to pay a tax equalization charge as part of its annual payment to the OECD to compensate this special suspense account. This charge will cover actual reimbursements made by the OECD to employees subject to U.S. Income Taxes. This agreement does not cover OECD employees paid from voluntary funds.”

Your concurrence in the above paragraph by letter will constitute the agreement between the United States Government and the Organization for Economic Cooperation and Development formalizing the tax reimbursement procedure which will enter into force as of January 1, 1977.

Sincerely yours,

[Signed]

WILLIAM C. TURNER
Ambassador

His Excellency Emile van Lennep
Secretary-General of the Organization for Economic Cooperation
and Development
Paris

¹ Came into force on 1 January 1977, in accordance with the provisions of the said letters.

II

OCDE

ORGANISATION DE COOPÉRATION
ET DE DÉVELOPPEMENT ÉCONOMIQUES

OECD

ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENTLE SECRÉTAIRE GÉNÉRAL
THE SECRETARY-GENERAL

15th September, 1976

EL-2147

Sir,

Thank you for your letter of 14th September 1976 proposing a formal agreement by which the United States Government will compensate the Organisation for Economic Cooperation and Development for the sums utilised to reimburse U.S. income taxes incurred by its staff members paid under its regular budget. You proposed agreement to the following text, which would establish the procedure:

[See letter I]

I am happy to indicate my concurrence in the above text, on the understanding that it concerns all U.S. income taxes levied on OECD income, and my acceptance that this exchange of letters constitutes the agreement between the United States Government and the Organisation for Economic Cooperation and Development formalising the tax reimbursements procedure which will enter into force as of 1st January, 1977.

Accept, Sir, the assurances of my highest consideration.

[Signed]

EMILE VAN LENNEP

His Excellency Mr. William C. Turner
Head of the United States Delegation
to the OECD
Paris
