

No. 26803

**INTERNATIONAL ATOMIC
ENERGY AGENCY
and
UNITED STATES OF AMERICA**

**Tax Reimbursement Agreement (with annex). Signed at
Vienna on 5 April 1989**

Authentic text: English.

*Registered by the International Atomic Energy Agency on 21 September
1989.*

**AGENCE INTERNATIONALE
DE L'ÉNERGIE ATOMIQUE
et
ÉTATS-UNIS D'AMÉRIQUE**

**Accord relatif au remboursement d'impôts (avec annexe).
Signé à Vienne le 5 avril 1989**

Texte authentique : anglais.

*Enregistré par l'Agence internationale de l'énergie atomique le 21 sep-
tembre 1989.*

TAX REIMBURSEMENT AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA)

This Agreement is made between the Government of the United States of America (hereinafter “United States”) and the International Atomic Energy Agency (hereinafter “IAEA”) (“the Parties”).

It is the intent of the United States to assume sole responsibility for funding the reimbursement of taxes to officials of the IAEA who are subject to United States tax law as United States citizens or permanent resident aliens;

It is the intent of the IAEA to place the reimbursement of United States income tax to its officials on a sound basis;

The Parties are desirous of concluding an agreement on reimbursement to the IAEA officials of United States federal, state, and local income tax levied under United States law on the income they receive as compensation for official services rendered to the IAEA (hereinafter “institutional income”);

The Parties agree as follows:

1. The IAEA shall reimburse officials paid from the regular budget who are liable for and pay the United States federal self-employment tax and United States federal, state, and local income taxes on their IAEA institutional income (as defined in the annex), the amount of those taxes, under the terms and conditions set forth below. An advance payment made by the IAEA relating to the estimated tax liability of a staff member during a current year will be treated as reimbursement, provided that such payment is effected by an instrument payable to the Internal Revenue Service or counterpart body of the taxing state or local government.

2. The United States will reimburse the IAEA for each taxpayer an amount not to exceed the tax that would be due if the specified categories of the IAEA income were the taxpayer’s only income, taking into account any special tax benefits available to United States taxpayers employed abroad, as well as the deductions and personal exemptions otherwise allowed.

3. Officials shall claim all deductions, exemptions, or exclusions to which they are entitled under applicable tax legislation and regulations.

4. For purposes of United States federal income tax, deductions, exemptions, and adjustments to income shall be apportioned on a *pro rata* basis between taxable IAEA institutional income and private income for the purposes of calculating tax reimbursement except where deductions and exemptions relate to a specific category of income. “Taxable institutional income” means the amount of IAEA income subject to tax after the application of the foreign earned income exclusion.

5. Both parties shall take all possible measures to reduce or eliminate the burden resulting from the cumulative effect of tax reimbursements being treated as taxable income.

¹ Came into force on 5 April 1989 by signature, in accordance with paragraph 17.

6. The IAEA officials are themselves responsible for complying with any income tax laws applicable to them; penalties, interest, or other charges resulting from non-compliance with such laws shall not be reimbursed by the IAEA.

7. Each official claiming tax reimbursement shall determine the status defined by United States tax law under which he files his income tax return, reimbursement being made on the basis of the status under which taxes are in fact being paid.

8. The IAEA will maintain separate accounting of the tax reimbursements covered by this Agreement. IAEA shall require each official receiving tax reimbursement to authorize it to obtain confirmation from the United States Internal Revenue Service and state and local government counterpart bodies, as appropriate, of the tax liability of that official and the payment of the tax due. IAEA shall require each official to provide it with all the materials necessary to verify that the amounts claimed under this Agreement from the IAEA are the same as the tax liability he reports and the tax payments he in fact makes.

9. Checks by the IAEA for payment of estimated taxes shall be made payable to the Internal Revenue Service, or counterpart body of the taking state or local government, and checks for reimbursement of taxes already paid by an official shall be made payable to the official concerned.

10. Reimbursement of the United States federal self-employment taxes shall equal the difference between the amount the official pays as a result of his classification as a self-employed person, less any applicable tax credit arising from the same qualification, and the amount he would have to pay in social security taxes and health insurance taxes were he classified as an official.

11. The principles embodied in the present Agreement on reimbursement of federal taxes equally constitute the basis for the reimbursement of state and local taxes.

12. The United States Government will reimburse the IAEA on the basis of a certification that reimbursements have been made by the IAEA to United States citizens, or others who are liable to pay United States income taxes. The certification will set forth the names and United States social security numbers of the IAEA officials reimbursed, the total of the IAEA income against which the United States tax has been paid, the amounts reimbursed to the IAEA officials, the tax year for which reimbursement is made, and the year in which reimbursement is made for each category of tax specified in Article 1. This information will be provided yearly to the United States before October first of each year.

13. The United States shall deposit with the IAEA at the earliest possible date each year a sum sufficient to cover all tax reimbursements paid by the IAEA in respect of the preceding tax year in accordance with the Agreement.

14. In the interest of maintaining the availability of tax benefits granted by United States law to members of qualified pension plans, the United States and the IAEA together with the United Nations Secretariat will make every effort to maintain the qualified status of the United Nations Joint Staff Pension Fund in respect of the IAEA participants.

15. Subject to the availability of funds, the United States and the IAEA may agree to a reimbursement for such reasonable and necessary expenses as the IAEA may incur in connection with the implementation of the administrative procedures required to carry out the provisions of this Agreement.

16. This Agreement shall apply with regard to tax reimbursements for institutional income earned on or after 1 January 1988.

17. This Agreement shall enter into force upon signature by the Parties and may thereafter be terminated by either Party on December 31 of the year following the year in which notice is given in writing to the other Party. Should the United States conclude a tax reimbursement agreement with any other international organization of the United Nations system substantially more favorable to that organization or its officials than the present Agreement, the latter shall be modified to extend to the IAEA the benefit of the former, subject to the agreement of the United States, which shall not unreasonably be refused.

18. Any difficulties arising from the implementation of this Agreement shall be resolved by consultations between the Parties.

DONE in duplicate in the English language at Vienna this fifth day of April 1989.

For the International Atomic
Energy Agency:

[Signed]

HANS BLIX
Director General

For the Government
of the United States of America:

[Signed]

MICHAEL H. NEWLIN
Permanent Representative
United States Mission
to the International Organizations
in Vienna

ANNEX

PARTICULARS OF INSTITUTIONAL INCOME

“Institutional income”, as used in this Tax Reimbursement Agreement, includes only the following particulars of official compensation:

- Basic salary
 - Post adjustment, including rental subsidies
 - Salary increases, including merit increments
 - Repatriation grant
 - Cash in lieu of accrued annual leave
 - Language allowance
 - Overtime
 - Night differential
 - Installation allowance
 - Education grant and related travel
 - Dependency allowance
 - Non-resident allowance
 - Termination indemnity
 - Removal expenses
 - Home leave travel
 - Assignment allowance
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