

No. 26947

**UNITED STATES OF AMERICA
and
INTER-PARLIAMENTARY UNION**

**Exchange of notes constituting an agreement concerning the
reimbursement of income tax. Geneva, 17 September
and 27 October 1981**

Authentic text: English.

Registered by the United States of America on 29 November 1989.

**ÉTATS-UNIS D'AMÉRIQUE
et
UNION INTER-PARLEMENTAIRE**

**Échange de notes constituant un accord relatif au rembourse-
ment des impôts sur le revenu. Genève, 17 septembre et
27 octobre 1981**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 29 novembre 1989.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE INTER-PARLIAMENTARY UNION CONCERNING THE REIMBURSEMENT OF INCOME TAX

I

UNITED STATES MISSION TO INTERNATIONAL ORGANIZATIONS
GENEVA, SWITZERLAND

September 17, 1981

No. 344

The Permanent Mission of the United States of America to the United Nations Office and other International Organizations in Geneva presents its compliments to the Inter-Parliamentary Union and has the honor to refer to the previous correspondence between the Mission and the IPU with regard to the conclusion of a tax reimbursement agreement between the United States Government and the IPU.

The Mission has been requested to seek agreement to the following additions and modification to the text presented in its letters of April 21 and May 22, 1981:

Addition at the end of the first paragraph of the sentence: "An advance payment made by the IPU relating to the estimated tax liability of an employee during a current year will be treated as a reimbursement provided that such payment is effected by an instrument jointly payable to the Internal Revenue Service and the employee."

Addition at the end of the second paragraph of the following phrase: "... payments made specifically to compensate an employee for the United States federal income tax for which the employee is liable or has paid."

Modification of the antepenultimate paragraph to read as follows and moving it within the text so that it becomes the fourth paragraph: "The United States Government will reimburse for each taxpayer an amount not to exceed the federal income tax that would be due if the specified categories of IPU 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 generally allowed."

The full tax reimbursement agreement would then read:

"The Inter-Parliamentary Union (IPU) will reimburse IPU staff members who are United States citizens, or who are otherwise liable to pay United States federal income taxes, for those United States federal income taxes that these employees have paid on IPU income as specified below. An advance payment made by the IPU relating to the estimated tax liability of an employee during a current year will be treated as a reimbursement provided that such payment is effected by an instrument jointly payable to the Internal Revenue Service and the employee.

¹ Came into force on 27 October 1981, with retroactive effect from 1 January 1981, in accordance with the provisions of the said notes.

“An income tax equalization charge will be payable by the United States Government, subject to the availability of funds, to the IPU to compensate the IPU for the expenditures it has made. This charge will cover actual reimbursements made by the IPU for United States federal income taxes on the categories of IPU income specified below: basic salary; post allowance that is based on the cost of living; travel appointment or on separation; installation allowance; removal, shipment or storage of household effects; education allowance and education travel grant; home leave travel; travel on annual leave from designated duty station; family visit travel; representation; language allowance; dependent grant; payments made specifically to compensate an employee for the United States federal income tax for which the employee is liable or has paid.

“The charge payable by the United States Government will not include reimbursement for interest or fines paid on income tax, taxes on pensions, or taxes paid to any state or local government within the United States.

“The United States Government will reimburse for each taxpayer an amount not to exceed the federal income tax that would be due if the specified categories of IPU 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 generally allowed.

“This agreement does not cover IPU employees who are paid from voluntary funds, nor income from any source other than from the IPU.

“The IPU will maintain separate accounting of the tax reimbursements covered by this agreement. To help insure the accountability of the program, the IPU, after securing the written permission of the American staff member, will provide the Department of State with a list of participating employees and their United States social security numbers for forwarding to the United States Internal Revenue Service for income tax filing record checks.

“The United States Government will reimburse the IPU on the basis of a certificate that reimbursements have been made by the IPU to United States citizens, or others who are liable to pay United States federal income taxes. The certification will set forth the names and United States social security numbers of the staff members reimbursed, the total amount of IPU income against which United States federal income tax has been paid, the amounts reimbursed to the staff members, the tax year for which reimbursement is made, and the year in which reimbursement is made for each of the categories of IPU income specified above.

“This agreement will enter into force January 1, 1981. It shall apply with respect to reimbursements made by the IPU on taxes paid on income earned in 1978 or thereafter.

“This agreement may be terminated by either party. Termination shall take effect one year from the date on which written notice of termination is given.”

The above agreement will be concluded upon receipt by the Permanent Mission of a note from the IPU formally consenting to the text.

The Permanent Mission of the United States avails itself of this opportunity to renew to the Inter-Parliamentary Union its assurances of its highest consideration.

The Mission of the United States of America

Geneva, September 17, 1981

II

UNION INTERPARLEMENTAIRE

INTER-PARLIAMENTARY UNION

GEVÈVE (SUISSE)¹

The Inter-Parliamentary Union presents its compliments to the Permanent Mission of the United States of America to the United Nations Office and other International Organizations in Geneva and has the honour to refer to previous correspondence between the Mission and the Inter-Parliamentary Union with regard to the conclusion of a tax reimbursement agreement between the United States Government and the Inter-Parliamentary Union.

The Inter-Parliamentary Union has taken note of the Permanent Mission's *note verbale* (No. 344) of 17 September 1981 and of the proposed additions and modifications to the text of the above-mentioned agreement.

The Inter-Parliamentary Union hereby consents to the new agreement text quoted in the Permanent Mission's note.

The Inter-Parliamentary Union avails itself of this opportunity to renew to the Permanent Mission of the United States of America its assurances of its highest consideration.

The Inter-Parliamentary Union

Geneva, 27 October 1981

¹ Geneva, Switzerland.