

No. 27154

**UNITED STATES OF AMERICA
and
SOUTH PACIFIC COMMISSION**

**Exchange of notes constituting an agreement relating to the
reimbursement of income taxes. Suva, 21 December
1981, and Noumea, New Caledonia, 28 April 1982**

Authentic text: English.

Registered by the United States of America on 15 March 1990.

**ÉTATS-UNIS D'AMÉRIQUE
et
COMMISSION DU PACIFIQUE SUD**

**Échange de notes constituant un accord relatif au rembourse-
ment de l'impôt sur le revenu. Suva, 21 décembre 1981,
et Nouméa (Nouvelle-Calédonie), 28 avril 1982**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 15 mars 1990.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE SOUTH PACIFIC COMMISSION RELATING TO THE REIMBURSEMENT OF INCOME TAXES

I

The Embassy of the United States of America presents its compliments to the South Pacific Commission (SPC) and has the honor to propose that the Government of the United States and the South Pacific Commission (SPC) conclude a Tax Reimbursement Agreement in accordance with which the SPC will reimburse its staff members who are United States citizens, or who are otherwise liable to pay United States Federal income tax, for those United States Federal income taxes that these staff members have paid on SPC income as specified below. An advance payment made by the SPC 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 jointly payable to the internal revenue service and the staff member.

An income tax reimbursement charge will be payable by the Government of the United States, subject to the availability of funds, to compensate the SPC for the expenditure it has made. This charge will cover reimbursements made by the SPC for United States Federal income tax on the following categories of SPC income:

Basic salary

Post allowance that is based on the cost of living

¹ Came into force on 28 April 1982 by the exchange of notes, with retroactive effect from 1 January 1982, in accordance with the provisions of the said notes.

Travel on 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

Dependency grant

Payments made specifically to compensate a staff member for the United States Federal income tax for which the staff member is liable or has paid.

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

The Government of the United States will reimburse for each taxpayer an amount not to exceed the Federal income tax that would be due if the specified categories of SPC 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 SPC staff members who are paid from voluntary funds, nor tax on income from any source other than the SPC.

The SPC will maintain separate accounting of the tax reimbursements covered by this Agreement. To help insure the accountability of the program, the SPC, after securing the written permission of the American and other staff members liable to pay United States Federal income tax, will provide the Department of State with a list of participating staff members and their United States social security numbers for forwarding to the United States internal revenue service for income tax filing record checks.

The Government of the United States will reimburse the SPC on the basis of a certification that reimbursements have been made by the SPC to United States citizens or others liable to pay United States Federal income tax. The certifications will set forth the names and United States social security numbers of the staff members reimbursed, the total of SPC income against which the United States Federal income tax has been paid, the amount paid to each staff member in each of the categories of income specified above, the amount of tax reimbursed to each staff member by the year in which reimbursement was made, and the amount of tax reimbursed to each staff member by the year for which reimbursement was made.

This Agreement will enter into force January 1, 1982. It shall apply with respect to reimbursements made by the SPC on taxes paid on SPC income earned in 1982 or thereafter.

This Agreement may be terminated by either party, effective one year from the date on which written notice of termination is given.

This Agreement supersedes the Agreement on Reimbursement of Income Taxes between the Government of the United States and the SPC signed at Suva and Noumea March 31 and April 15, 1980.¹

¹ United Nations, *Treaty Series*, vol. 1222, p. 281.

The Embassy of the United States proposes that the present Note and your reply thereto will constitute an agreement between the Government of the United States and the SPC for the purpose of regulating the reimbursement of income tax.

The Embassy of the United States avails itself of this opportunity to renew to the South Pacific Commission the assurances of its highest consideration.

Embassy of the United States of America

Suva, December 21, 1981

II

SOUTH PACIFIC COMMISSION
NEW CALEDONIA

COMMISSION DU PACIFIQUE SUD
NOUVELLE-CALÉDONIE

SPC 1/2/3/2

The Secretary-General of the South Pacific Commission presents his compliments to the Embassy of the United States of America, and acknowledges receipt of the Embassy's Note of December 21, 1981 proposing the conclusion of an agreement by which the Government of the United States would compensate the South Pacific Commission for the reimbursement of the United States Federal income tax that the South Pacific Commission may make to its staff members.

The terms and conditions set forth in the Embassy's Note are acceptable, and the South Pacific Commission concurs with the Embassy's proposal that its Note and this reply constitute an agreement between the Government of the United States and the South Pacific Commission for the purpose of regulating the reimbursement of income tax.

The Secretary-General thanks the Embassy of the United States of the Note and avails himself of this opportunity to renew to the Embassy of the United States the assurance of his highest consideration.

Noumea
28 April 1982
