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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 AGREEMENT[1] 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.