

RELEASE IN FULL



STATE COMMISSIONER  
INTERNATIONAL

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
980 L'ENFANT PLAZA SOUTH, S.W.  
WASHINGTON, DC 20024

MAR 27 1995

EMBASSY ARGENTINA  
WASHINGTON, D.C.  
ENTRO APR 19 1995  
NOTA NO OFE 10

Embassy of the Argentine Republic  
Washington, DC, 20009

Gentlemen:

This is in response to your letter OFEU 34 dated March 2, 1995, requesting clarification of the provisions of Internal Revenue Code (IRC) Section 893.

IRC Section 893 provides for the following:

- i. Compensation of ambassadors and ministers who are not U.S. citizens is not taxable, because of the extraterritorial privileges and immunities accorded by our law to diplomatic representatives of foreign governments, and because of established international usage and practice.

In the case of all employees (other than U.S. citizens) of a foreign government, including consular or other officers or non-diplomatic representatives, wages, fees or salaries are exempt under the conditions prescribed in IRC Section 893. Income from other sources within the United States is not exempt unless prescribed in treaty provisions. There is, at present, no income tax treaty with Argentina.

- ii. In the case of Argentina, alien consular employees derive exemption from income tax on their official compensation from consular agreements. The filing of the waiver under section 247(b) of the Immigration and Nationality Act does not terminate such exemption.

I trust this information is fully responsive to your concerns. If you have further questions in connection with this matter, please contact Mrs. Nancy King at (202) 874-1785.

Sincerely

*[Handwritten Signature]*  
Regina M. Deanehan  
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