

N° 2631.

ÉTATS-UNIS D'AMÉRIQUE
ET ITALIE

Echange de notes comportant un arrangement relatif à l'exemption de la double imposition en ce qui concerne les bénéfices réalisés dans les affaires d'armement maritime. Washington, 10 mars et 5 mai 1926.

UNITED STATES OF AMERICA
AND ITALY

Exchange of Notes constituting an Agreement regarding the Relief from Double Income Tax on Shipping Profits. Washington, March 10 and May 5, 1926.

No. 2631. — EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE ITALIAN GOVERNMENT, CONSTITUTING AN AGREEMENT REGARDING THE RELIEF FROM DOUBLE INCOME TAX ON SHIPPING PROFITS. WASHINGTON, MARCH 10 AND MAY 5, 1926.

Texte officiel anglais communiqué par le ministre des Affaires étrangères d'Italie. L'enregistrement de cet échange de notes a eu lieu le 26 février 1931.

Cet échange de notes a été transmis au Secrétariat par le « Department of States » du Gouvernement des Etats-Unis d'Amérique, le 13 janvier 1931.

I.

L'AMBASSIATORE D'ITALIA A WASHINGTON AL SEGRETARIO DI STATO DEGLI STATI UNITI D'AMERICA.

R. AMBASCIATA D'ITALIA.

The Italian Ambassador presents his compliments to His Excellency the Secretary of State and, referring to his note of June 24, 1925, has the honor to bring to his knowledge the following.

From a communication received from the Italian Steamship Companies operating in ports of the United States it appears that the provisions contained in Royal Decree 891 issued on June 12, 1925, the text of which was submitted to the Department by the above-mentioned note, did not seem to the competent Departments of the American Government to correspond exactly to the provisions contained in Section 213 (b) (8) of the Revenue Act of 1921 and was therefore considered insufficient to obtain to the Italian Companies exemption from the payment of the Income Tax, retroactively to 1921, on the basis of reciprocity.

In order to establish the required adequate basis of reciprocity, the Italian Government issued on March 4, 1926, a Royal Decree n° 340, the text of which is literally translated as follows :

Companies organized in the United States and citizens of the United States not domiciled in Italy exercising maritime traffic in Italian ports, by means of ships flying the United States flag are exempt, with effect starting from January 1, 1921, from the Imposta di Ricchezza Mobile, Income Tax, on income derived exclusively from such traffic, provided the United States likewise exempt from Income Tax, Imposta di Ricchezza Mobile, the income originating in the United States to Italian citizens not domiciled in the United States and to Italian Companies, and derived exclusively from the exercise of one or more ships flying the Italian flag.

¹ TRADUCTION. — TRANSLATION.

N^o 2631. — ÉCHANGE DE NOTES ENTRE LE GOUVERNEMENT DES ÉTATS-UNIS D'AMÉRIQUE ET LE GOUVERNEMENT ROYAL D'ITALIE, COMPORTANT UN ARRANGEMENT RELATIF A L'EXEMPTION DE LA DOUBLE IMPOSITION EN CE QUI CONCERNE LES BÉNÉFICES RÉALISÉS DANS LES AFFAIRES D'ARMEMENT MARITIME. WASHINGTON, 10 MARS ET 5 MAI 1926.

English official text communicated by the Italian Minister for Foreign Affairs. The registration of this Exchange of Notes took place February 26, 1931.
This Exchange of Notes was transmitted to the Secretariat by the Department of State of the Government of the United States of America, January 13, 1931.

I.

L'AMBASSADEUR D'ITALIE A WASHINGTON AU SECRÉTAIRE D'ÉTAT DES ÉTATS-UNIS D'AMÉRIQUE.

AMBASSADE ROYALE D'ITALIE.

L'Ambassadeur d'Italie présente ses compliments à Son Excellence le Secrétaire d'Etat et, se référant à sa note du 24 juin 1925, a l'honneur de porter à sa connaissance ce qui suit :

Il ressort d'une communication reçue des compagnies de navigation italiennes, opérant dans les ports des Etats-Unis que, selon les Départements compétents du Gouvernement américain, les dispositions du décret royal N^o 891, promulgué le 12 juin 1925, dont le texte a été communiqué au Département par la susdite note, ne semblent pas correspondre exactement aux stipulations de l'article 213 b) 8 du « Revenue Act » de 1921, et que ces dispositions n'ont donc pas été jugées suffisantes pour que les compagnies italiennes puissent être, à titre de réciprocité, exemptées rétroactivement, depuis 1921, du paiement de l'impôt sur le revenu.

Afin d'établir la base nécessaire de réciprocité, le Gouvernement italien a promulgué, le 4 mars 1926, un décret royal, n^o 340, dont voici la traduction littérale :

Les sociétés constituées aux Etats-Unis et les citoyens des Etats-Unis non domiciliés en Italie qui se livrent au commerce maritime dans les ports italiens, au moyen de navires battant pavillon des Etats-Unis, seront exonérés, à dater du 1^{er} janvier 1921, de l'« Imposta di Ricchezza mobile » (impôt sur le revenu), sur les revenus tirés exclusivement de ce commerce, à condition que les Etats-Unis, de leur côté, exonèrent également de l'impôt sur le revenu (*Imposta di Ricchezza mobile*) les revenus réalisés aux Etats-Unis par des citoyens italiens qui n'y sont pas domiciliés et par les sociétés italiennes, lorsque ces revenus proviennent exclusivement de l'exploitation d'un ou de plusieurs navires battant pavillon italien.

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

The provisions set forth in this Decree being exactly equivalent to those contained in Section 213, the Italian Government is confident that the competent American Authorities will extend to the Italian Steamship Companies operating in United States ports the treatment contemplated by Section 213 of the Revenue Act of 1921, and this with effect starting from January 1, 1921.

The Italian Ambassador would much appreciate receiving some assurance in the matter.

WASHINGTON D. C. *March 10, 1926.*

Per copia conforme :

Il Capo dell' Ufficio Trattati,

Modica.

II.

THE SECRETARY OF STATE (KELLOGG) TO THE ITALIAN AMBASSADOR (MARTINO).

The Secretary of State presents his compliments to His Excellency, the Royal Italian Ambassador, and has the honor to acknowledge the receipt of his note of April 24, 1926, in further relation to a decree issued by the Italian Government on March 4, 1926, exempting American shipping interests from the income tax of Italy, in which the Ambassador requests to be informed what decision has been taken by the Treasury Department concerning the exemption of Italian shipping interests from the payment of income tax.

In reply, the Secretary of State has the honor to inform the Italian Ambassador that he is in receipt of a communication from the Treasury Department concerning this matter, a copy of which is enclosed, from which it will be observed that the Treasury Department holds that in view of the Royal Italian Decree n. 340 of March 4, 1926, Italy satisfies the equivalent exemption provision of Section 213 (b) (8) of the Revenue Acts of 1921, 1924 and 1926, and that consequently so much of the income from sources within the United States received by a non-resident alien or a foreign corporation as consists exclusively of earnings derived from the operation of a ship or ships documented under the laws of Italy is exempt from the Federal Income tax.

DEPARTMENT OF STATE, WASHINGTON, *May 5, 1926.*

Per copia conforme :

Il Capo dell' Ufficio Trattati,

Modica.