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# **Special Rule for U.S. Permanent Residents Receiving Compensation or Pensions From the Government of France**

## **Announcement 97-61**

The Competent Authorities of the United States and France have entered into an agreement to alleviate the double taxation of U.S. permanent residents with respect to compensation and pensions for governmental services rendered to the French government. Generally, under the agreement, income of this type received in 1996 is

taxable only in France and income of this type received in 1997 is taxable only in the United States. For 1998 and subsequent years, both the United States and France will tax the income, but the United States will allow a credit for taxes paid to France.

Taxpayers who are otherwise required to file an Individual Income Tax Return on Form 1040 for tax year 1996 should attach the following statement to the return: "I/we am/are not taxable in the United States under Article 19 of the Income Tax Convention between the United States and France on compensation or pension income received in 1996 for services rendered to the French Government that are of a governmental nature, pursuant to a 1997 Competent Authority agreement between the United States and France." A taxpayer who has already filed a 1996 return in accordance with the Competent Authority agreement need not amend the return to include such a statement. A taxpayer who has already filed a 1996 return and paid tax on income subject to the Competent Authority agreement should include this statement if filing a claim for refund.

### *Contacts*

For further information or assistance regarding the U.S. income tax treatment of compensation and pensions received from the Government of France, please contact Calvin Watson, Tax Treaty Division, Office of the Assistant Commissioner (International), ((202) 874-1550 (not a toll-free number)). For information or assistance regarding the French tax treatment of these compensation and pension payments, please contact Noel Claudon, Fiscal Attache, French Embassy, ((202) 944-6390 or (202) 944-6391 (not toll-free numbers)). In France, please contact Centre des Impots des Non-Residents, 9, Rue d'Uzes, 75094 Paris Cedex 02.

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