

44. TAX EQUALIZATION

Considerable time was spent on the question of tax equalization with respect to the United Nations and its employees since difficulties had arisen from inequalities of taxation treatment as between various Member States and between staff members.

Members of the staff of the United Nations now have a clause in their contracts which requires the Organization to refund national income taxation to nationals of those Members which have not granted tax exemption on United Nations salaries. In this connection a resolution was adopted by the Assembly re-affirming the desirability of Members granting tax exemption, and recommending that pending such action Member States grant relief from double taxation to their nationals employed by the United Nations. It also asked the Secretary-General to omit the refund clause from all future personnel contracts, but to continue to make refunds on salaries received during the years 1946, 1947 and 1948. The Secretary-General is also requested to prepare and submit to the next regular session of the General Assembly a Staff Contributions Plan, designed to remove any criticism of the present policy of tax exemption.

A sum of \$500,000 is included in the 1948 budget for the refund of income taxation.