

Part I

Section 893.—Compensation of Employees of Foreign Governments or International Organizations

26 CFR 1.893-1: Compensation of Employees of Foreign Governments or International Organizations

Rev. Rul. 2007-60

The Internal Revenue Service is continuing its program of reviewing guidance (including revenue rulings, revenue procedures, and notices) published in the Internal Revenue Bulletin to identify those rulings that are obsolete because (1) the applicable statutory provisions or regulations have been changed or repealed; (2) the ruling position is specifically covered by statute, regulations, or subsequent published position; or (3) the facts on which the ruling position is based no longer exist or are not sufficiently described to permit clear application of the current statute and regulations.

Rev. Rul. 75-425, 1975-2 C.B. 291, concerns the effect of an alien individual employed by a foreign government or international organization in the United States signing a waiver (United States Citizenship and Immigration Services (USCIS) Form I-508) under section 247(b) of the Immigration and Nationality Act (8 U.S.C. § 1257(b)).

Generally, an alien individual employed by a foreign government or international organization who files the waiver provided by section 247(b) of the Immigration and Nationality Act is, from the date of filing the waiver, no longer entitled to exemption from income tax under section 893 of the Internal Revenue Code with respect to his or her compensation received from such foreign government or international organization. See Treas. Reg. § 1.893-1(a)(5) and (b)(4). However, the filing of the waiver will have no effect on any income tax exemption derived by an alien individual from the provisions of an income tax treaty, consular agreement, or other international agreement to the extent the application of the exemption is not dependent upon the internal revenue laws of the United States. See Treas. Reg. § 1.893-1(c)(2).

Rev. Rul. 75-425 sets forth the application of the above rules with respect to a list of foreign countries with which the United States had an income tax treaty or consular agreement and a list of international organizations with respect to which the United States was a signatory to the international agreement creating the international organization(s) at the time of publication of the revenue ruling. Because many of those income tax treaties, consular agreements, and international agreements have been modified, superseded, or are no longer in force, and because the facts on which the ruling position was based no longer exist or are not sufficiently described to permit clear application of the currently applicable legal provisions and agreements, the Internal Revenue Service has concluded that Rev. Rul. 75-425 is no longer determinative with respect to foreign government and international organization employees of any foreign country. Accordingly, Rev. Rul. 75-425 is hereby declared obsolete.

Alien individuals employed by a foreign government or international organization in the United States, who file the waiver provided by section 247(b) of the Immigration and Nationality Act (USCIS Form I-508), will be entitled to any tax exemption conferred under the provisions of an applicable income tax treaty, consular agreement, or international agreement, that is still in force, to the extent the application of the exemption is not dependent upon the internal revenue laws of the United States. For guidance with respect to a specific foreign country or international organization, send an e-mail to embassy@irs.gov.

DRAFTING INFORMATION

Various personnel from the Office of Associate Chief Counsel (International) participated in the drafting of this revenue ruling. For further information regarding this revenue ruling, contact Richard A. Ward at (202) 874-1621 (not a toll-free call) or e-mail embassy@irs.gov.