

DOUBLE TAXATION: SHIPPING PROFITS

Exchanges of notes at Washington January 27, February 24, May 16 and 30, and August 9, 1922

Entered into force August 9, 1922; operative from January 1, 1921

*Superseded by agreement of March 31, 1938*¹

1923 For. Rel. (II) 875

The Swedish Minister to the Secretary of State

WASHINGTON, January 27, 1922

EXCELLENCY:

In accordance with instructions received from my Government I have the honor to inform Your Excellency that the Swedish Government, after having acquainted itself with Paragraph 8, Section 213, of the new American Revenue Law for 1921,² mentioned in the note of the Department of State dated December 21, 1921, regarding exemption from taxation of ships of a foreign country granting equivalent exemption to citizens of the United States, has noted with great satisfaction the principle emphasized in said paragraph.

I am further authorized to state that my Government has immediately taken under consideration the adoption of such measures as will prove to the satisfaction of the United States' Government, that American ship owners reciprocally are exempted from taxation in Sweden.

The Government of Sweden interprets the American law in this instance as intended to express the principle that exemption from taxation on terms of reciprocity is desirable in order to promote the mutual interests of the United States and other countries. The above mentioned principle having been agreed upon, and provision for its application incorporated in the new American Revenue Law, the Government of Sweden begs to express the hope that such legislative measures may be taken as will have the effect of making the said provision effective, not only as from January 1, 1921, but will also cover the years 1917, 1918, 1919 and 1920. When framing statutes regarding the exemption from taxation of foreign shipowners in Sweden, the Swedish Government will be guided accordingly.

¹ EAS 121, *post*, p. 806

² 42 Stat. 239.