

105TH CONGRESS  
2D SESSION

# H. R. 3785

To amend the Bretton Woods Agreements Act to direct the Secretary of the Treasury to instruct the United States Director of the International Monetary Fund to present to the Fund's Executive Board a proposal to amend the Fund's bylaws to eliminate the Fund's policy of providing de facto tax-free salaries to certain Fund employees.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 1998

Mr. ROYCE (for himself, Mr. ARMEY, Mr. PAXON, Mr. CAMPBELL, Mr. METCALF, Mr. HERGER, Mr. SESSIONS, Mr. NETHERCUTT, Mr. ROGAN, and Mr. SANFORD) introduced the following bill; which was referred to the Committee on Banking and Financial Services

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## A BILL

To amend the Bretton Woods Agreements Act to direct the Secretary of the Treasury to instruct the United States Director of the International Monetary Fund to present to the Fund's Executive Board a proposal to amend the Fund's bylaws to eliminate the Fund's policy of providing de facto tax-free salaries to certain Fund employees.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 The Congress finds as follows:

1           (1) The quota of the United States in the Inter-  
2           national Monetary Fund is funded through United  
3           States tax dollars and the United States contribu-  
4           tion amounts to \$36,200,000,000, or \$517.47 for  
5           each American family.

6           (2) The International Monetary Fund typically  
7           makes demands concerning the fiscal policies of  
8           member nations accessing its credit, and these de-  
9           mands often include tax increases.

10          (3) International Monetary Fund employees  
11          should not be insulated from the tax policies of their  
12          home governments.

13          (4) Employees of the International Monetary  
14          Fund are eligible to receive an income tax allowance.

15          (5) The International Monetary Fund states  
16          that the tax allowance renders the after-tax incomes  
17          of benefiting employees comparable to the incomes  
18          of Fund employees whose incomes are not taxed by  
19          their home governments.

20          (6) The bylaws of the International Monetary  
21          Fund state that its Executive Board determines the  
22          tax allowance to be reasonably related to the taxes  
23          paid by employees on salaries and emoluments paid  
24          by the Fund.

1           (7) The bylaws of the International Monetary  
2       Fund may be amended by the Board of Governors  
3       at any meeting or by vote without meeting.

4 **SEC. 2. PROPOSAL TO ELIMINATE INCOME TAX ALLOW-**  
5 **ANCE.**

6       The Bretton Woods Agreements Act (22 U.S.C. 286–  
7 286mm) is amended by adding at the end the following:

8 **“SEC. 61. ELIMINATION OF INCOME TAX ALLOWANCE.**

9       “The Secretary of the Treasury shall instruct the  
10 United States Executive Director of the Fund to present  
11 to the Fund’s Executive Board, and work for the adoption  
12 of, a proposal to amend the Fund’s bylaws to disallow the  
13 Fund from issuing a tax allowance to the Governors, the  
14 Executive Directors, their alternates, the Managing Direc-  
15 tor, or any other officer, employee, or staff member of the  
16 Fund.”.

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