

US withdraws tax exemption for Pak Embassy staff

WASHINGTON: A year after the Trump administration imposed travel restrictions on Pakistani officials stationed here at the embassy, the State Department has now also withdrawn its Diplomatic Tax Exemption programme usually granted to foreign diplomats and consulars.

The programme provides sales and use, occupancy, food, airline, gas, and utility tax exemptions to eligible foreign officials on assignment in the United States. The said facility is enjoyed by officials' dependents too. The decision to take back special Tax Exemption cards issued to Pakistani officials was made on May 15, after which the affected staffers had to surrender the privilege. The number of affected staffers of the Pakistani embassy are a little over twenty.

Tax exemption privileges for foreign diplomats, consular officers, and staff members are generally based on two international treaties: The Vienna Convention on Diplomatic Relations and the Vienna Convention on Consular Relations.

Since all such services and privileges are based on the principle of reciprocity, that means no privileges are granted to a foreign official unless United States Embassy and Consular personnel receive the equivalent privileges in that country.

A State Department spokesperson confirmed to The News that there were pending tax exemption issues related to the US diplomatic mission in Pakistan. However, the department said that both sides were in discussions and hoped to resolve the issue and restore the tax privileges.

Answering a question about the issue, Pakistan's Embassy here claimed that the issue of tax exemption and refunds is a routine topic of discussion between any two countries. "There are thus ongoing discussions between Pakistan and the US on the status of exemption/refunds on the basis of the principle of reciprocity, which should not be construed as withdrawal of any privileges," the embassy stated in its response.

Last year, the United States barred diplomats working at the Pakistani Embassy in Washington from traveling outside 250-mile radius around the city without approval.

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