

112TH CONGRESS
1ST SESSION

H. R. 936

To prohibit United States assistance for Afghanistan unless the United States and Afghanistan enter into a bilateral agreement which provides that work performed in Afghanistan by United States contractors is exempt from taxation by the Government of Afghanistan.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2011

Mr. WELCH (for himself, Mr. JONES, and Mr. CICILLINE) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To prohibit United States assistance for Afghanistan unless the United States and Afghanistan enter into a bilateral agreement which provides that work performed in Afghanistan by United States contractors is exempt from taxation by the Government of Afghanistan.

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. SHORT TITLE.**

4 This Act may be cited as the “Stop Taxing American
5 Assistance to Afghanistan Act”.

1 **SEC. 2. PROHIBITION ON UNITED STATES ASSISTANCE FOR**
2 **AFGHANISTAN UNLESS WORK PERFORMED IN**
3 **AFGHANISTAN BY UNITED STATES CONTRAC-**
4 **TORS IS EXEMPT FROM TAXATION.**

5 (a) PROHIBITION.—No funds made available to carry
6 out the Foreign Assistance Act of 1961 (22 U.S.C. 2151
7 et seq.) or any other Act may be made available to provide
8 assistance for Afghanistan unless the President certifies
9 to Congress that a bilateral agreement between the United
10 States and Afghanistan is in effect which provides that
11 work performed in Afghanistan under a contract in Af-
12 ghanistan is exempt from taxation by the Government of
13 Afghanistan. The prohibition on assistance under this sub-
14 section shall not apply with respect to a contract under
15 which the contractor or subcontractor is not a national
16 of the United States or a contract involving commercial
17 operations of United States diplomatic missions in Af-
18 ghanistan.

19 (b) WAIVER.—The President may waive the prohibi-
20 tion on assistance under subsection (a) on a case-by-case
21 basis if the President determines and certifies to Congress
22 that it is in the national interests of the United States
23 to do so.

24 (c) DEFINITIONS.—In this section:

25 (1) CONTRACT IN AFGHANISTAN.—The term
26 “contract in Afghanistan” has the meaning given

1 the term “contract in Iraq or Afghanistan” in sec-
2 tion 864(a)(2) of the National Defense Authoriza-
3 tion Act for Fiscal Year 2008 (Public Law 110–181;
4 10 U.S.C. 2302 note), except that each reference in
5 such section to “or Iraq” is deemed to be deleted.

6 (2) GOVERNMENT OF AFGHANISTAN.—

7 (A) IN GENERAL.—The term “Government
8 of Afghanistan” includes the government of any
9 political subdivision of Afghanistan, and any
10 agency or instrumentality of the Government of
11 Afghanistan.

12 (B) AGENCY OR INSTRUMENTALITY.—For
13 purposes of subparagraph (A), the term “agen-
14 cy or instrumentality of the Government of Af-
15 ghanistan” means an agency or instrumentality
16 of a foreign state as defined in section 1603(b)
17 of title 28, United States Code, with each ref-
18 erence in such section to “a foreign state”
19 deemed to be a reference to “Afghanistan”.

20 (d) EFFECTIVE DATE.—This section shall take effect
21 on the date of the enactment of this Act and shall apply
22 with respect to funds made available to carry out the For-
23 eign Assistance Act of 1961 or any other Act for fiscal
24 year 2012 and subsequent fiscal years.

○