§ 111. Same; taxation affecting Federal employees; income tax

(a) General Rule.— The United States consents to the taxation of pay or compensation for personal service as an officer or employee of the United States, a territory or possession or political subdivision thereof, the government of the District of Columbia, or an agency or instrumentality of one or more of the foregoing, by a duly constituted taxing authority having jurisdiction, if the taxation does not discriminate against the officer or employee because of the source of the pay or compensation.

(b) Treatment of Certain Federal Employees Employed at Federal Hydroelectric Facilities Located on the Columbia River.— Pay or compensation paid by the United States for personal services as an employee of the United States at a hydroelectric facility—

(1) which is owned by the United States;
(2) which is located on the Columbia River; and
(3) portions of which are within the States of Oregon and Washington,

shall be subject to taxation by the State or any political subdivision thereof of which such employee is a resident.

(c) Treatment of Certain Federal Employees Employed at Federal Hydroelectric Facilities Located on the Missouri River.— Pay or compensation paid by the United States for personal services as an employee of the United States at a hydroelectric facility—

(1) which is owned by the United States;
(2) which is located on the Missouri River; and
(3) portions of which are within the States of South Dakota and Nebraska,

shall be subject to taxation by the State or any political subdivision thereof of which such employee is a resident.


Historical and Revision Notes

<table>
<thead>
<tr>
<th>Derivation</th>
<th>U.S. Code</th>
<th>Revised Statutes and Statutes at Large</th>
</tr>
</thead>
</table>

The words “received after December 31, 1938,” are omitted as obsolete. The words “pay or” are added before “compensation” for clarity as the word “pay” is used throughout title 5, United States Code, to refer to the remuneration, salary, wages, or compensation for the personal services of a Federal employee. The word “territory” is not capitalized as there are no longer any “Territories.” The words “to tax such compensation” are omitted as unnecessary.

Amendments

1998—Pub. L. 105–261 designated existing provisions as subsec. (a), inserted heading, and added subsecs. (b) and (c).

Effective Date of 1998 Amendment