



Sales and Use Tax Exemptions for Foreign Missions and Mission Personnel

Purpose: This Policy Statement explains the circumstances under which sales made to foreign missions and mission personnel are exempt from Connecticut sales and use taxes and discusses the documentation that retailers must maintain when tax exempt sales are made to foreign missions and mission personnel. This Policy Statement addresses the addition of Tax Exemption Cards issued by the American Institute in Taiwan.

Effective Date: Effective upon issuance.

Statutory Authority: Conn. Gen. Stat. §12-412(2), U.S. Const. art. VI, cl. 2, and the treaties and statutes mentioned below.

Effect on Other Documents: Policy Statement 2015(1), *Sales and Use Tax Exemptions for Foreign Missions and Mission Personnel*, is modified and superseded.

Background: The Foreign Missions Act, 22 U.S.C. 4301-4316, authorized the creation of the Office of Foreign Missions (OFM) within the United States Department of State. The purpose of OFM is to serve the foreign diplomatic and consular communities stationed in the United States and to control their activities. Privileges are granted to a foreign official here if the United States Embassy and Consular personnel receive the equivalent privileges in that country.

In exercising its authority, OFM issues a Tax Exemption Card to foreign diplomatic and consular missions, and their employees, in the United States. The Tax Exemption Card is issued to authorize the exemption from sales, occupancy, restaurant/meal, and other similar taxes, on the official and personal purchases of foreign diplomatic and consular missions and their members in the United States.

The Taipei Economic and Cultural Representative Office in the United States (TECRO), the Taipei Economic and Cultural Offices (TECOs), their designated employees, and their qualifying dependents are also entitled to exemption from sales and use taxes. Accordingly, the American Institute in Taiwan (AIT) has issued Tax Exemption Cards to TECRO, TECOs, and their eligible personnel and dependents that incorporate the same features and design elements as the OFM exemption cards.

The sales are exempt only if made to the holder of the Tax Exemption Card issued by the OFM or the AIT. These cards are valid nationwide and may be used at the point of sale by their holders to exempt their retail purchases from sales and use taxes. Because the nature of purchases made via the Internet or by telephone does not allow for the presentation of the Tax Exemption Card to the vendor, the card cannot be honored in such transactions.

Two Classes of Cards: There are two classes of the Tax Exemption Cards: one for personal purchases by qualified mission personnel, and one for official purchases only by a qualified foreign mission.

Personal Tax Exemption Cards: The card issued to qualified mission personnel for personal purchases is entitled "Personal Tax Exemption" and bears the photograph and identification of a duly accredited consulate or embassy employee who is entitled to the tax exemption privileges as stated on the card. This card is only for the personal use of the bearer whose picture appears on the front of the card.

Mission Tax Exemption Cards: The card issued to qualified foreign missions is entitled "Mission Tax Exemption" and bears the photograph and identification of a consulate or embassy employee who has been allowed official purchasing privileges for that office. All purchases must be made in the name of the mission and paid for by mission check, mission credit card, or wire transfer. Cash, credit cards, or personal checks in the name of the bearer of the mission tax exemption card cannot be used as payment. A Mission Tax Exemption Card is used only for official purchases of goods and services. This card is not used for personal purchases. The person whose name and photo appear on the card is the mission's point of contact and is responsible for ensuring the accuracy of the exemption. This individual does not need to be present when purchases are made in the name of the mission.

For identification purposes, the card bearer's name, photograph, mission employed by, expiration date, and protocol identification number are provided on the card.

A Tax Exemption Card is not valid for exemption from taxes on telephone services, other utilities, motor fuel purchases, or motor vehicle purchases or leases.

Tax Exemption Cards: The Tax Exemption Card has the following features:

- The use of animal images to convey an immediate visual cue of the level of exemption the cardholder is authorized to receive; **and**
- Description of the cardholder's level of entitlement to tax exemption privileges presented on both the front and back sides of the card.

Animal Images: The cards contain the images of an owl, eagle, buffalo, or deer. These animal images provide retailers with a visual cue of the general level of tax exemption privileges the cardholder enjoys and inform the retailer whether the card is intended for official or personal purchases.

The animal images convey the following general information concerning the level of tax exemption that is authorized by a particular Tax Exemption Card.

Mission Tax Exemption Cards:

- **Owl** – This image signifies that such cards are intended to be used solely in connection with official purchases and that the cardholder/mission is eligible for exemption from sales, occupancy, restaurant/meal, and other taxes without restriction.
- **Buffalo** – This image signifies that such cards are intended to be used solely in connection with official purchases and that cardholder/mission's eligibility for exemption from sales, occupancy, restaurant/meal, and other taxes is subject to some degree of restriction. For example, such cards may read "EXEMPT FROM TAX ON PURCHASES OVER \$300; NOT VALID AT HOTELS."

Personal Tax Exemption Cards:

- **Eagle** – This image signifies that such cards are intended to be used solely in connection with personal purchases and that the cardholder is eligible for exemption from sales, occupancy, restaurant/meal, and other taxes without restriction.
- **Deer** - This image signifies that such cards are intended to be used solely in connection with personal purchases and that the cardholder's eligibility for exemption from sales, occupancy, restaurant/meal, and other similar taxes is subject to some degree of restriction. For example, such cards may read "EXEMPT FROM TAXES IMPOSED ON PURCHASES OVER \$100; NOT VALID AT HOTELS & RESTAURANTS."

Obtaining More Information about the Tax Exemption Card: The Department of State (DOS) website has information regarding the Tax Exemption Card at <http://www.state.gov/ofm/tax/>. The DOS has a system

to provide on-line verification of the validity of a Tax Exemption Card at <https://ofmapps.state.gov/tecv>. The reverse side of a Tax Exemption Card contains information about this service and a telephone contact number.

Procedures Required to Be Followed by Retailers:

The retailer **must**:

1. Require the purchaser to present his or her tax exemption card to verify that the purchaser is the holder of a card and that it has not expired;
2. Verify that the purchaser qualifies for exemption in accordance with the rules applicable to the class and level of tax exemption; **and**
3. Retain a photocopy of the Tax Exemption Card for all sales made to holders of Tax Exemption Cards.

Any suspected misuse of any Tax Exemption Card within Connecticut should be reported by writing or telephoning:

Office of Foreign Missions DS/OFM
3507 International Place, NW
Washington DC 20522-3303

OFMTaxCustoms@state.gov
202-895-3500 ext. 2

Or OFM Regional Office in New York:

OFMNYCustomerService@state.gov
646-282-2825

And:

Department of Revenue Services
25 Sigourney Street Ste 2
Hartford CT 06106

1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only) or **860-297-5962** (from anywhere).

Purchases of Motor Fuel Distinguished: A gasoline and diesel fuel tax exemption is extended to missions and personnel by means of tax-exempt oil company credit card accounts. Gasoline and diesel fuel purchased with cash is not tax-exempt. Personal or Mission Tax Exemption Cards may not be used to purchase gasoline or diesel fuel tax-free.

Eligible missions and personnel of foreign governments may apply for the exemption from gasoline and diesel fuel taxes through the procedure described on the OFM website at www.state.gov/ofm/tax/gas.

Purchases of Utilities Distinguished: Utility tax exemption (for example, electricity, natural gas, cellular phones, telecommunications, community antenna television, and satellite television) is based on reciprocity and is granted upon request through the procedure described on the OFM website at

www.state.gov/ofm/tax/utility. Personal or Mission Tax Exemption Cards may not be used to purchase utilities tax-free.

Purchases of Motor Vehicles Distinguished: OFM enforces the exemption of eligible foreign missions and their members from payment of any taxes when purchasing, leasing, registering, or titling a motor vehicle. All official and personal vehicle acquisitions must be authorized for tax exemption by OFM through the procedure described on the OFM web site at www.state.gov/ofm/tax/vehicle.

Effect of This Document: A Policy Statement explains in depth a current Department of Revenue Services (DRS) position, policy, or practice affecting the tax liability of taxpayers.

For Further Information: Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

Forms and Publications: Visit the DRS website at www.ct.gov/DRS to download and print Connecticut tax forms and publications.

Paperless Filing/Payment Methods (fast, easy, free, and confidential): Business and individual taxpayers can use the Taxpayer Service Center (*TSC*) at www.ct.gov/TSC to file a variety of tax returns, update account information, and make payments online.

File Electronically: You can choose first-time filer information and filing assistance or log directly into the *TSC* to file returns and pay taxes.

Pay Electronically: You can pay taxes for tax returns that cannot be filed through the *TSC*. Log in and select the *Make Payment Only* option. Designate a payment date up to the due date of the tax and mail a paper return to complete the filing process.

DRS E-Alerts Service: Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures.

DRS E-Alerts provide information for employer's withholding tax, News – Press Releases, and Top 100 Delinquency List. Visit the DRS website at www.ct.gov/DRS and select *Sign up for e-alerts* under *How Do I?* on the gold navigation bar.