



STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES

PS 2007(6)

25 Sigourney Street  
Hartford CT 06106-5032

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POLICY STATEMENT

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**Sales and Use Tax Exemptions for Diplomatic Personnel**

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**Purpose:** This Policy Statement indicates the extent to which, and the circumstances under which, sales made to diplomatic personnel and diplomatic missions are exempt from Connecticut sales and use taxes and the documentation that retailers must maintain. It reflects changes to the federal diplomatic tax exemption program made since the issuance of **Policy Statement 93(2), *Sales and Use Tax Exemptions for Diplomatic Personnel***.

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**Effective Date:** Effective upon issuance.

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

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**Background:** Under various treaties and federal statutes, the U.S. government has extended diverse tax benefits to diplomats, consuls, public international organizations, and official foreign missions. Under the Supremacy Clause of the U.S. Constitution, treaties entered into by the United States are the supreme law of the land.

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**Sales Exempt Only If Made to Holder of Tax Exemption Cards Issued by U.S. Department of State, Office of Foreign Missions:** Under the authority granted to the Secretary of State by the Foreign Missions Act, and delegated by the Secretary of State to the Director of the Office of Foreign Missions (OFM), an office within the Department of State, the OFM issues tax exemption cards to qualified diplomatic personnel and missions stationed in the United States. 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.

**Two Classes of Cards:** There are two classes of tax exemption cards: one for personal purchases by qualified diplomatic personnel, and one for official purchases only by a qualified diplomatic mission.

**Personal Tax Exemption Cards:** The card issued to qualified diplomatic personnel for personal purchases is entitled "United States Department of State Personal Tax Exemption Card" and bears the photograph and identification of a duly accredited consulate, embassy, or eligible international organization 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 diplomatic missions is entitled "United States Department of State Mission Tax Exemption Card" and bears the photograph and identification of a consulate, embassy, or international organization 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 or credit card (not cash or personal check). A Mission Tax Exemption Card is used only for official purchases of goods and services by the representative identified on the mission card. This card is not used for personal purchases.

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.

**Two Levels of Tax Exemption: Blue and Yellow Stripes:** Each tax exemption card will have one of the two levels of sales and use tax exemption. The level and kind of exemption are designed to match the levels of exemption encountered by American Embassies in foreign countries. Mission Tax Exemption Cards and Personal Tax Exemption Cards are blue-striped or yellow-striped.

**The level of tax exemption is indicated by the color of the card and the written explanation in the colored box. Retailers who make sales to holders of OFM Tax Exemption Cards must carefully observe these restrictions.**

A **blue-striped card** entitles the bearer to an exemption from Connecticut sales and use taxes on all purchases, including purchases of goods, services, meals, and lodging.

A **yellow-striped card** has restrictions or requirements that must be met to make exempt purchases of goods or services. For example, the card may require a minimum purchase amount before exemption is applied, or the card could exclude certain sectors from exemption with the most common exclusion being hotel taxes.

When a cardholder presents a yellow-striped card with a minimum purchase requirement, the total of all items purchased in a single transaction must equal or exceed the minimum purchase level. For example, if a foreign official has a card with a minimum purchase level of \$150, he or she would be required to pay the sales or use tax on a bill of \$145. However, the same individual would be exempt from all taxes on a bill of \$160. If two foreign officials are traveling together but they have separate rooms and separate bills, they cannot combine the bills under one total to qualify for the tax exemption.

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**Procedures Required to Be Followed by Retailers:** The retailer must 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.

The retailer must verify that the purchaser qualifies for exemption in accordance with the rules applicable to the class and level of tax exemption.

The retailer must 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

**202-895-3500**

**and**

Department of Revenue Services  
Taxpayer Services Division  
25 Sigourney Street  
Hartford CT 06106

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

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**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/gasoline](http://www.state.gov/ofm/tax/gasoline).

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**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/utilities](http://www.state.gov/ofm/tax/utilities). Personal or Mission Tax Exemption Cards may not be used to purchase utilities tax-free.

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**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.

The following procedures detail how motor vehicles acquired by diplomatic personnel can be authorized for tax exemption.

1. **The purchaser must** present a Mission Tax Exemption Card, a Personal Tax Exemption Card, or a Protocol Identification Card to the seller of the automobile. This proves to the seller that the purchaser is indeed a diplomatic agent or is authorized to make official purchases on behalf of a diplomatic mission. The seller is required to retain a copy of this card.
2. **The seller must** contact OFM at **202-895-3500** for a determination on the tax-exempt status of the purchaser. If the purchase is being made outside of the Washington D.C. area, the purchaser may contact an OFM Regional Office.
3. **OFM will** determine the tax-exempt status of the purchaser and provide a letter to the seller. This letter will state whether or not the purchaser is eligible for exemption from any sales and use tax imposed at the point of purchase by the state in which the sale will occur. If sales and use taxes are imposed by the state in which the sale is taking place, and the purchaser is determined not to be eligible for exemption from this tax, the purchaser is required to pay this tax to the seller.

Only letters of authorizations provided directly from OFM to the seller are valid for tax-exemption. Letters provided from any entity besides OFM should not be honored and this practice should be immediately reported to OFM.

Diplomatic missions and their members, including dependents, are required to register all vehicles that they own or lease with the OFM Diplomatic Vehicle Office. At the time of purchase, all original ownership documents must be submitted to the Diplomatic Motor Vehicle Office for proper vehicle registration. Auto dealerships and state motor vehicle administrations should treat this transaction as an out of state registration. OFM will issue a registration card and federal license plates once proper documentation is received. A title will also be sent to the indicated lien holder to protect the interest of the lender.

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**Treaties and Federal Statutes:** The treaties upon which the Office of Foreign Missions Tax Exemption Program is based include the Vienna Convention on Consular Relations, 21 U.S.T. 77, T.I.A.S. No. 6820,

596 U.N.T.S. 261 [entered into force with respect to the United States on December 24, 1969]; the Vienna Convention on Diplomatic Relations, 23 U.S.T. 3227, T.I.A.S. No. 7502, 500 U.N.T.S. 95 [entered into force with respect to the United States on December 13, 1972]; and the Convention on Privileges and Immunities of the United Nations, 21 U.S.T. 1420, T.I.A.S. No. 6900, 1 U.N.T.S. 16 [entered into force with respect to the United States on April 29, 1970].

The federal statutes upon which the Office of Foreign Missions Tax Exemption Program is based include the Act of Dec. 29, 1945, ch. 652, 59 Stat. 669 (codified as amended at 22 U.S.C. §288 et seq.); the Act of Aug. 4, 1947, ch. 482, 61 Stat. 756, reprinted in 1947 U.S. Code Cong. Serv. 754; the Diplomatic Relations Act, Pub. L. No. 95-393, 92 Stat. 808 (1978) (codified as amended at 22 U.S.C. §254a et seq.); and the Foreign Missions Act, Pub. L. No. 97-241, 96 Stat. 273, 282 (1982) (codified as amended at 22 U.S.C. §4301 et seq.).

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**Effect on Other Documents: Policy Statement 93(2), *Sales and Use Tax Exemptions for Diplomatic Personnel***, is modified and superseded.

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**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.

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**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.

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**Forms and Publications:** Forms and publications are available anytime by:

- **Internet:** Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) to download and print Connecticut tax forms; **or**
- **Telephone:** Call **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only and select **Option 2** from a touch-tone phone, or call **860-297-4753** (from anywhere).

**Paperless Filing/Payment Methods (fast, easy, free, and confidential):**

- **For business returns, tax payments, and electronic bill payments:** Use the *Taxpayer Service Center (TSC)* to file a variety of tax returns and extensions, as well as to pay taxes or bills over the Internet. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on the *TSC* logo or on *File/Register OnLine* for a complete list of taxes that can be electronically filed and paid.
- **For income tax returns, extensions, estimated payments, and electronic bill payments:** Use the *Taxpayer Service Center (TSC)* to file personal income tax returns and extensions, or to make estimated payments and electronic bill payments over the Internet. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on the *TSC* logo or on *File/Register OnLine*.

**DRS E-News Service:** Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures. **DRS E-News** is easy to sign up for – visit [www.ct.gov/DRS](http://www.ct.gov/DRS) and follow the directions. Subscription services are available for employer’s withholding tax, *TSC-BUS* Online Filing Alerts, News – Press Releases, and Top 100 Delinquency List.

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