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The Secretary of State presents her compliments to Their Excellencies and Messieurs and Mesdames the Chiefs of Mission and has the honor to bring to their attention that the exemption from taxation extended by Department of State from property taxation on real property owned by foreign governments and used to house members of the staff of consular posts who are accredited to the United States, as first announced in the Department circular diplomatic note No. 09-138, dated July 28, 2009, was upheld by the United States Court of Appeals for the Second Circuit on August 10, 2010. *Permanent Mission of India to the United Nations, et. al., vs. City of New York*, 618 F.3d 172 (2d Cir. 2010).

The Court of Appeals affirmed that the Department of State's June 23, 2009, exemption is a valid exercise of United States federal authority. Subsequently, on June 27, 2011, the Supreme Court of the United States denied New York City's petition for a *writ of certiorari*. In addition to exempting the eligible properties at issue from property taxes, the Department's action invalidated existing tax liens with respect to such property.

As stated in the Department's circular diplomatic note No. 11-149, dated July 8, 2011, the Department reminds the Chiefs of Mission that that tax authorities

in the United States will not grant to foreign missions, on the basis of reciprocity or diplomatic or consular status, exemptions from real estate taxes, without receiving written authorization from the Department's Office of Foreign Missions (OFM).

Circular diplomatic note No. 11-149 is available electronically at

www.state.gov/documents/organization/168159.pdf.

Thus, foreign missions are requested to follow specific rules and procedures, which vary based on the type of tax and the location of the property at issue, to request and obtain real estate tax exemptions.

Specific guidelines for requesting and obtaining an exemption from real estate taxes, by location, are available at:

www.state.gov/ofm/property/taxexemption/c46165.htm.

Inquiries concerning this matter may be referred to OFM's Office of Diplomatic Property, Taxes, Services, and Benefits by telephone at (202) 895-3500, option 5, or by electronic mail at OFMProperty@state.gov.

Department of State,

Washington, September 19, 2011.

