

August 6, 2009

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Rec'd in OFM

United States Department of State
Office of Foreign Missions
Room 2236
Washington, D.C. 20520

Dear Mr. Seagroves,

I am in receipt of your July 27, 2009 letter addressed to Joan Wagnon, Secretary of Revenue for the state of Kansas regarding the Diplomatic Tax Exemption Program.

Pursuant to your request, please find enclosed a copy of NOTICE 04-09 that we recently revised addressing the Diplomatic Tax Exemption Program. This NOTICE is published on the Kansas Department of Revenue's web site for access by the public.

Please feel free to contact me should you have any questions or concerns.

Sincerely,



Ronald H. Grant
Tax Specialist
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The **diplomatic** Tax Exemption Cards are valid nationwide and are required to be honored by all state and local taxing jurisdictions. However, the Tax Exemption Cards are not valid for exemption from Kansas sales or use taxes on vehicles, gasoline, telephones and other utilities. The procedure that must be followed to obtain tax exemption on these purchases is explained in the following sections.

Vehicle Tax Exemption

The OFM enforces the exemption of eligible foreign missions and officials when the mission or official buys or leases a vehicle. The purchaser must first present an OFM Tax Exemption Card. The dealer **MUST** retain a copy of this card **AND** contact OFM at (202) 895-3500. OFM then determines the tax-exempt status of the buyer and provides a letter to the seller that states whether or not the buyer is eligible for tax exemption on the sale or lease of the vehicle. Only authorization letters provided directly from OFM to the seller are valid for tax-exemption on a vehicle sale. Additional information is available from the OFM or its web site: www.state.gov/ofm/tax/vehicles/
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Gasoline Tax Exemption

A gasoline tax exemption is extended to missions and officials using tax-exempt oil company credit card accounts. Gasoline purchased with cash is not tax exempt. Sales tax exemption cards may not be used to purchase gasoline tax-free. Eligible diplomats must submit a completed oil company credit card application and OFM form DS-99 (Application for **Diplomatic** Exemption from Taxes on Gasoline) to OFM for processing and approval.

Utility and Telephone Tax Exemption

The Office of Foreign Missions administers the utility tax exemption program. Utility tax exemption (e.g. electricity, natural gas, cellular phones, and telephone) is based on reciprocity. To obtain the exemption, eligible diplomats must submit a completed OFM form DS-98 (Application for **Diplomatic** Exemption from Taxes on Utilities) to OFM for approval.

Kansas Retailer Record Keeping

Retailers should read and honor the level of exemption printed on the card. Some exemptions have a minimum purchase requirement and some do not allow exemption from hotel or lodging taxes (Kansas Transient Guest Tax). A Mission exemption card, issued to consulate, embassy or international organization employees, is only for mission purchases paid for by mission check or credit card (no cash or personal check). Retailers may use a tax-exempt card database on OFM's web site to verify that the card is an active **diplomatic** tax exemption. The

database provides a card's identification number, expiration date and level of exemption.

To document a **diplomatic** sales tax exemption for your records, you must make a copy of the Tax Exemption Card and keep it with your other sales and use tax records. In the case of a vehicle sale or lease, you must also obtain a tax-exempt status determination letter from the OFM (procedure outlined above) in addition to a copy of the card, and retain both in your sales tax records.

TAXPAYER ASSISTANCE

Additional information about the **diplomatic** tax exemption program is available from OFM's web site, www.state.gov/ofm/tax/. Any questions regarding the eligibility of **diplomatic** or consular officers for sales or use tax exemption should be directed to:

Office of Foreign Missions DS/OFM
3507 International Place, NW
Washington, DC 20522-3303
(202) 895-3500

Additional copies of this notice, forms or publications are available from our web site, www.ksrevenue.org. If you have questions about sales and use tax, please contact:

Taxpayer Assistance Center
Kansas Department of Revenue
915 SW Harrison St., 1st Floor
Topeka, KS 66612-1588
Phone: 785-368-8222
Hearing Impaired TTY: 785-296-6461
Fax: 785-291-3614

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