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The Secretary of State presents his compliments to Their Excellencies and Messieurs and Mesdames the Chiefs of Mission and has the honor to inform all missions of the current policies and procedures concerning hotel and lodging tax exemption privileges of eligible foreign missions and their members in the United States. This note replaces the Department's Note No. 08-171, dated October 20, 2008.

Exemption from taxes imposed on purchases of hotel stays and other lodging (including short-term property rentals and corporate housing arrangements) in the United States on the basis of the diplomatic or consular status of the purchasing foreign mission or accredited mission member or dependent is authorized by the presentation of a valid diplomatic tax exemption card at the time of payment. The nature of prepaid, online booking does not allow for the presentation of a tax exemption card; therefore, tax relief cannot be guaranteed in such situations. The Department's Office of Foreign Missions (OFM) is unable to provide any assistance to foreign missions or their members in obtaining an exemption or reimbursement of taxes charged on purchases made through the internet.

The Department strongly recommends that travelers notify hotels of their tax-exempt status in advance of their stay. Travelers should also allow sufficient time, especially upon check-out, to resolve tax exemption questions.

Official/Mission Tax Exemptions

Mission tax exemption cards are used by foreign missions to obtain exemption from certain taxes, including taxes on hotel stays and lodging, on purchases in the United States that are necessary for the mission's operations and functions. OFM considers official expenses associated with the lodging of employees of foreign missions, representatives of a sending State's government, or other travelers hosted by the foreign mission, to be exempt from taxation when:

- a) the foreign mission holds a valid Mission Tax Exemption Card that allows for the relief of such taxes;
- b) the travel of the individuals described above is conducted in support of the missions' diplomatic or consular functions; and
- c) the lodging costs are paid for with a check, credit card or wire transfer transaction in the name of the foreign mission. Missions are advised that cash is not an acceptable form of payment.

A mission tax card may not be used to exempt taxes on hotel or lodging expenses unrelated to a mission's diplomatic or consular functions, such as those related to tourism, medical treatment, or leisure travel.

Personal Tax Exemptions

Personal tax exemption cards are issued for the sole benefit of the individual identified and pictured on the card. OFM considers personal lodging expenses to be exempt from taxation when:

- a) the individual holds a valid Personal Tax Exemption Card that allows for the relief of such taxes;
- b) the room(s) are registered in the name of the individual identified on the Personal Tax Exemption Card; and
- c) the lodging expenses are paid for by the individual identified on the Personal Tax Exemption Card, using any form of payment.

General Hotel Tax Exemption Issues

The Department has learned that foreign missions have been providing written documentation to various vendors and tax authorities in the United States, which states that certain members of the embassy are exempt from taxation. The Department is the only entity in the United States with legal authority to authorize diplomatic and consular tax exemption privileges. Foreign missions may not independently purport to authorize or otherwise certify to a vendor or governing tax authority the availability of tax exemption privileges for the embassy, its consular posts or members.

If a hotel or other vendor wishes to verify the eligibility for a tax exemption, foreign missions and their members should request that the vendor use the Department's online tax card verification system at <https://ofmapps.state.gov/tecv/> or call OFM during normal business hours. Information concerning OFM's regional offices, which are located in Chicago, Houston, Los Angeles, Miami, New York, and San Francisco, is available at www.state.gov/ofm/ro/.

Questions or concerns may also be directed to OFM in Washington, D.C., at 202-895-3500, extension 2, or OFMTaxCustoms@state.gov.

Department of State,

Washington, July 19, 2013.

