

UNITED STATES PERMANENT MISSION TO THE  
ORGANIZATION OF AMERICAN STATES  
DEPARTMENT OF STATE  
WASHINGTON, D.C. 20520

No. 02-B

The United States Mission to the Organization of American States presents its compliments to the Organization of American States and its Permanent Missions and has the honor to provide information concerning the policies and procedures associated with the authorization of sales and use tax exemption privileges by the Department of State's Office of Foreign Missions (OFM) for purchases or leases of official or personal motor vehicles in the United States.

The exemption of sales and use taxes imposed on purchases or leases of motor vehicles in the United States for the OAS, the Permanent Missions, or the members of such missions who have been granted the privileges and immunities accorded to diplomatic agents is solely authorized via OFM's issuance of a *Motor Vehicle Tax-Exemption Letter* to the entity or person that plans to sell or lease a motor vehicle to such entities or individuals in the United States.

For the purposes of the policy and procedures announced in this note, the term "motor vehicle" is defined as any self-propelled vehicle, including but not limited to automobiles, motorcycles, boats, and aircraft.



The Permanent Missions to the

Organization of American States,

Washington, D.C. February 1, 2013

The OAS Secretariat and the Permanent Missions are reminded that on April 27, 1984, the Under Secretary of State for Management determined that pursuant to the Foreign Missions Act (22 U.S.C. 4301-4316 as amended), all international organizations and their members and their families who are entitled to claim immunity from legal process are required to register with OFM all motor vehicles that they own or lease in the United States. A photocopy of the referenced Foreign Missions Act determination is enclosed.

### ***Property Tax on Leased Vehicles***

In accordance with the obligations of the Headquarters Agreement Between the Organization of American States and the Government of the United States of America, signed in Washington on May 14, 1992, the Agreement on Privileges and Immunities of the Organization of American States, and the Vienna Convention on Diplomatic Relations, the OAS, the Permanent Missions, and their eligible members are entitled to an exemption of **property taxes** imposed on motor vehicles **ONLY** when such motor vehicles are **owned** by such entities or individuals.

Thus, this privilege cannot be passed through to the owner of a motor vehicle that is being leased by the OAS, a mission or its members. However, where applicable, the OAS, the Permanent Missions, and their eligible members may receive an exemption from the imposition of **sales or use taxes** imposed on their leased motor vehicles. Such exemptions are authorized using the procedures addressed in this document.

### ***Motor Vehicle Tax-Exemption Letters***

Anytime the OAS, the Permanent Missions, or their eligible members seek to purchase or lease a motor vehicle in the United States, the seller/lessor must request and obtain from OFM a *Motor Vehicle Tax-Exemption Letter*.

The OAS Secretariat and the Permanent Missions are advised that OFM will only issue *Motor Vehicle Tax-Exemption Letters* to the seller/lessor of a motor vehicle.

The *Diplomatic Tax Exemption Cards* issued to the OAS Secretariat, its Missions or their eligible members **do not serve** as evidence that such entity or individual is authorized for an exemption of the sales and use taxes imposed on their acquisition of a motor vehicle in the United States. **Thus, such cards may not be used in lieu of a *Motor Vehicle Tax-Exemption Letter*.**

The following procedures outline the manner in which a seller/lessor can request OFM's issuance of a *Motor Vehicle Tax-Exemption Letter*.

1. When the OAS Secretariat, a Permanent Mission, or eligible member wishes to purchase or lease a motor vehicle in the United States, they must initially establish for the seller/lessor that they hold diplomatic status. In order to accomplish this requirement, representatives of the OAS Secretariat, the Permanent Missions, and the eligible mission member are required to present to the seller/lessor **either** their valid passport which contains their current "G series" visa or one of the following Department of State-issued identification documents:
  - Protocol Identification Card;
  - Driver's License; or

- *Diplomatic Tax Exemption Card* (however, the presentation of this document does not negate the need to obtain a *Motor Vehicle Tax-Exemption Letter*).
2. Prior to finalizing their purchase or lease of a motor vehicle, the “purchaser/lessee” **must** instruct the seller/lessor that they are required to directly contact OFM, during normal business hours, to request the issuance of a *Motor Vehicle Tax-Exemption Letter*.
  3. Motor vehicle sellers/lessors may make such requests by electronic mail or telephone. Detailed information concerning the proper electronic mail addresses and telephone numbers to use for this purpose are enclosed.
  4. OFFICIAL MOTOR VEHICLES: Sellers/lessors must be able to provide OFM with the following information concerning motor vehicle acquisitions by the OAS Secretariat or a Permanent Mission:
    - The name of the Mission that is purchasing or leasing a motor vehicle;
    - The seller/lessor’s name, mailing address, and telephone and fax numbers; and
    - The color, year, make, and model of the motor vehicle that the OAS Secretariat or Permanent Mission is planning to acquire.
  5. PERSONAL MOTOR VEHICLES: Sellers/lessors must be able to provide OFM with the following information concerning motor vehicle acquisitions by eligible members of the Permanent Missions:
    - The name of the accredited mission member or their dependent, as it appears on their current “G series” visa, who is purchasing or leasing the motor vehicle;

- The name of the Mission to which the individual is assigned;
- The individual's Department of State-issued Personal Identification Number (PID);
- The seller/lessor's name, mailing address, and telephone/fax numbers; and
- The color, year, make, and model of the motor vehicle that the eligible mission member or their dependent is planning to acquire.

OFM strives to provide sellers/lessors with their requested *Motor Vehicle Tax-Exemption Letters* within two business hours of receiving the request. Such letters will be transmitted to the requesting seller/lessor by either electronic mail or facsimile.

Such letters, which are uniquely numbered, serve as OFM's formal notification of the purchaser/lessee's eligibility for an exemption of sales and use taxes imposed on their acquisition of motor vehicles in the United States.

Additionally, with respect to the acquisition of an **automobile or motorcycle**, such letters instruct the seller/lessor that they are required to send all original ownership documents directly to OFM so that the automobile or motorcycle can be properly registered and titled.

Lastly, the letters inform the seller/lessor that in order to allow the purchaser/lessee the benefit of driving while the referenced motor vehicle's registration is being processed by OFM, a state temporary license plate/tag may be issued as long as proof of third party liability insurance of at least \$300,000

Combined Single Limit or split limits of \$100,000 per person, \$300,000 per accident and \$100,000 for property damage is provided to the seller/lessor.

The Missions are further advised that absent written authorization, the OAS Secretariat, the Permanent Missions and their eligible members are **strictly prohibited** from receiving a tax-exemption on their purchases of any motor vehicles which will not be subsequently registered with OFM in accordance with the requirements of the Foreign Missions Act. Requests for a waiver of this policy must be transmitted to OFM in writing.

Questions or concerns with respect to the policy and procedures addressed in this note may be directed to OFM's Office of Diplomatic Property, Taxes, Services and Benefits Program by telephone at (202) 895-3500, extension 2, or by electronic mail at [OFMTaxCustoms@state.gov](mailto:OFMTaxCustoms@state.gov).

Enclosures: As stated.