



■ Tax Exemptions for Foreign Diplomatic and Consular Personnel

TO: Retailers and Hotel Operators

Foreign consulates (missions), diplomats, consular officers, and staff members may be eligible to make tax-exempt purchases in Illinois. This bulletin explains how you can determine which purchases are tax exempt and how you must document these exempt purchases when you file your sales, use, and hotel tax returns.

How do my customers certify that a purchase is exempt from tax?

Your customer will present you with a tax exemption card issued by the U.S. Department of State's Office of Foreign Missions. The card will provide a photo identification of the bearer, the name of the country for whose mission the card is issued, a tax exemption number, a card expiration date, and a color-coded stripe identifying the terms of the exemption. The card is valid for tax-exempt purchases only by the bearer identified on the card. The card may not be used by another person representing the person identified on the card (such as a spouse), nor may any other form of identification be used in place of the card (such as a letter).

What kinds of tax exemption cards are issued?

Cards fall into two basic categories:

- a card used for purchases on behalf of **individuals** (personal tax exemption card); and
- a card used for purchases on behalf of **missions** (mission tax exemption card).

For each of these two categories, two types of color-coded cards are issued:

- a **blue-striped card** allows an individual or mission to make purchases exempt from all sales and use taxes and taxes on hotel rooms
- a **striped card of one of several other colors** (for example, yellow, green, red, or red-green) allows an individual or mission to make tax-exempt purchases in all purchase categories except for the restricted purchase categories printed on the colored stripe

Samples of these types of cards are printed on the reverse side.

How do I document the exempt purchase?

If you file **Form ST-1**, Sales and Use Tax Return, write either "Foreign Consul" (for individuals) or "Foreign Mission" (for mis-

sions), as appropriate on Line 16, Other, of the ST-1 Worksheet for Line 2. Next, write the amount you collected from the sale on one of the lines provided (Lines 16a through 16d). You **must** record in your books and records the mission name, the card holder's name, the exemption number, the expiration date, and the color of the stripe on the card; or you should retain a photocopy of the card (front and back).

If you file **Form ST-556**, Sales Tax Transaction Return, write either "Foreign Consul" (for individuals) or "Foreign Mission" (for missions), as appropriate, on the line provided in Section 5, Box G, Other. You **must** record in your books and records the mission name, the card holder's name, the exemption number, the expiration date, and the color of the stripe on the card; or you should retain a photocopy of the card (front and back).

If you file **Form RHM-1**, Hotel Operators' Occupation Tax Return, write either "Foreign Consul" (for individuals) or "Foreign Mission" (for missions), as appropriate, in Step 2, Line 3, Other deductions, on the line provided. Next, write the amount you collected from the sale on the line provided. You **must** record in your books and records the mission name, the card holder's name, the exemption number,

the expiration date, and the color of the stripe on the card; or you should retain a photocopy of the card (front and back).

What if a customer uses a previously issued version of the card to certify an exempt purchase?

If the expiration date on the face of the card shows that the card is current and issued by the U.S. Department of State, you may accept "older" cards to certify exempt purchases.

What payment methods must be used with mission tax exemption cards?

All purchases in which mission tax exemption cards are used must be paid for by mission

check or credit card. This restriction, however, does not apply to the use of personal tax exemption cards used by individuals.

Where can I get more information about foreign diplomats and tax exemption cards?

If you would like more information about foreign diplomats and their eligibility for exemption from taxes,

write:

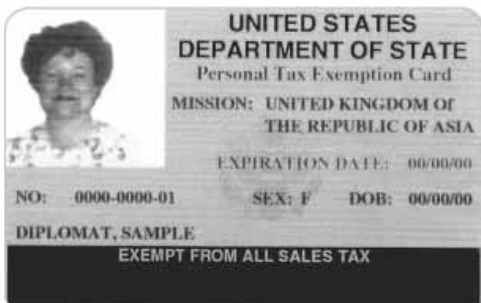
OFFICE OF FOREIGN MISSIONS
(TAX PROGRAM)
US DEPARTMENT OF STATE
3507 INTERNATIONAL PL NW
WASHINGTON DC 20008-3034

or call:

312 353-5762

Questions?

If you have questions or need more information, please call or write us. Our telephone numbers and address are printed at the bottom of this bulletin.



Blue Stripe:

Full tax exemption on all purchases of goods and services



Yellow Stripe:

Tax exemption on purchases except for restricted purchase categories printed on the colored stripe

(Stripes specifying restricted purchase categories printed on earlier versions of the card are printed in green, red, or red-green.)



For information or forms...

- Call us at 1 800 732-8866 or 217 782-3336.
- Call our TDD (telecommunications device for the deaf) at 1 800 544-5304.
- Write us at Illinois Department of Revenue, P.O. Box 19044, Springfield, IL 62794-9044.
- Visit our Web site at <www.revenue.state.il.us>.
- Call "Illinois Tax Fax," our fax-on-demand service, at 217 785-3400.
- Call our 24-hour Forms Order Line at 1 800 356-6302.