



STATE BOARD OF EQUALIZATION

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April 24, 2015

Dear Interested Party:

Enclosed is the Initial Discussion Paper on Regulation 1619, *Foreign Consuls*. Before the issue is presented at the Board's September 15, 2015 Business Taxes Committee meeting, staff would like to invite you to discuss the issue and present any additional suggestions or comments. Accordingly, an interested parties meeting is scheduled as follows:

**May 5, 2015
Room 122 at 10:00 a.m.
450 N Street, Sacramento, CA**

If you would like to participate by teleconference, call 1-888-808-6929 and enter access code 7495412. You are also welcome to submit your comments to me at the address or fax number in this letterhead or via email at Susanne.Buehler@boe.ca.gov by May 20, 2015. Copies of the materials you submit may be provided to other interested parties, therefore, ensure your comments do not contain confidential information. Please feel free to publish this information on your website or distribute it to others that may be interested in attending the meeting or presenting their comments.

If you are interested in other Business Taxes Committee topics refer to our webpage at (<http://www.boe.ca.gov/meetings/btcommittee.htm>) for copies of discussion or issue papers, minutes, a procedures manual, and calendars arranged according to subject matter and by month.

Thank you for your consideration. We look forward to your comments and suggestions. Should you have any questions, please feel free to contact our Business Taxes Committee staff member Mr. Wilke at 1-916-445-2137, who will be leading the meeting.

Sincerely,

Susanne Buehler, Chief
Tax Policy Division
Sales and Use Tax Department

SB:rsw

Enclosures

cc: (all with enclosures, via email and/or hardcopy as requested)

Honorable Jerome E. Horton, Chairman, Third District
Senator George Runner (Ret.), Vice Chair, First District
Honorable Fiona Ma, CPA, Member, Second District
Honorable Diane L. Harkey, Member, Fourth District
Honorable Betty T. Yee, State Controller, c/o Ms. Yvette Stowers (MIC 73)
Ms. Kari Hammond, Board Member's Office, Third District
Mr. David Hunter, Board Member's Office, Third District
Ms. Shellie Hughes, Board Member's Office, Third District
Mr. Sean Wallentine, Board Member's Office, First District
Mr. Lee Williams, Board Member's Office, First District
Mr. Alan Giorgi, Board Member's Office, First District
Mr. Brian Wiggins, Board Member's Office, First District
Mr. Jim Kuhl, Board Member's Office, Second District
Ms. Kathryn Asprey, Board Member's Office, Second District
Mr. John Vigna, Board Member's Office, Second District
Mr. Tim Morland, Board Member's Office, Second District
Mr. Russell Lowery, Board Member's Office, Fourth District
Mr. Ted Matthies, Board Member's Office, Fourth District
Mr. Neil Shah, Board Member's Office, Fourth District
Ms. Lynne Kinst, Board Member's Office, Fourth District
Ms. Cynthia Bridges (MIC 73)
Mr. Randy Ferris (MIC 83)
Mr. David Gau (MIC 101)
Mr. Jeffrey L. McGuire (MIC 43)
Mr. Todd Gilman (MIC 70)
Mr. Wayne Mashihara (MIC 46)
Mr. Kevin Hanks (MIC 49)
Mr. Mark Durham (MIC 67)
Mr. Robert Tucker (MIC 82)
Mr. Jeff Vest (MIC 85)
Mr. Jeff Angeja (MIC 85)
Mr. David Levine (MIC 85)
Mr. Bradley Heller (MIC 82)
Mr. Lawrence Mendel (MIC 82)
Mr. John Thiella (MIC 73)
Ms. Monica Silva (MIC 82)
Ms. Kirsten Stark (MIC 50)
Mr. Clifford Oakes (MIC 50)
Mr. Marc Alviso (MIC 101)
Mr. Chris Lee (MIC 101)
Ms. Laureen Simpson (MIC 70)
Ms. Karina Magana (MIC 46)
Mr. Bradley Miller (MIC 92)
Mr. Bill Benson (MIC 67)
Mr. Michael Patno (MIC 50)
Mr. Robert Wilke (MIC 50)

INITIAL DISCUSSION PAPER

Regulation 1619, *Foreign Consuls*

Issue

Whether the Board should amend Regulation 1619, *Foreign Consuls*, to add references regarding the issuance of tax exemption cards by the American Institute of Taiwan and make a specific reference to sales to a foreign consulate for official purposes.

Background

General

Sales tax is imposed on the retail sale of tangible personal property in this state, measured by the retailer's gross receipts, unless specifically exempt from taxation by statute. While the sales tax is imposed upon the retailer for the privilege of selling tangible personal property at retail in California, the retailer may collect tax reimbursement from the customer if the contract of sale so provides. All of a retailer's gross receipts are presumed subject to tax, unless the retailer can show otherwise.

Revenue and Taxation Code section 6352, *Constitutional exemptions*, specifies that "there are exempted from the taxes imposed by this part the gross receipts from the sale of and the storage, use, or other consumption in this State of tangible personal property the gross receipts from the sale of which, or the storage, use, or other consumption of which, this State is prohibited from taxing under the Constitution or laws of the United States or under the Constitution of this State."

Regulation 1619

Regulation 1619, *Foreign Consuls*, implements section 6352 as it applies to sales and leases of tangible personal property, including vehicles, to certain persons affiliated with foreign consulates who have been identified by the U.S. Department of State, Office of Foreign Missions (OFM) as exempt from taxation pursuant to treaties or other diplomatic agreements with the United States. Regulation 1619, subdivisions (a)(2), *Vehicles*, and (b), *Records of Retailers*, contain specific guidance with respect to sales and leases of vehicles. The aforementioned subdivisions also include guidance reflecting OFM's policy that, on and after June 1, 2003, a retailer is required to obtain an eligibility letter from OFM for sales or leases of vehicles. The regulation also specifies a retailer's general record-keeping requirements with respect to its claimed exempt sales.

Office of Foreign Missions – Tax Exemption Cards

The U.S. Department of State's website (www.state.gov/ofm/tax/sales/index.htm) indicates the OFM issues diplomatic tax exemption cards to eligible foreign missions and their accredited members and dependents on the basis of international law and reciprocity. These cards facilitate the United States in honoring its host country obligations under the Vienna Convention on Diplomatic Relations (VCDR), Vienna Convention on Consular Relations (VCCR), and other treaties to provide an exemption from sales tax and other similarly imposed taxes throughout the United States at the point of sale.

Mission Tax Exemption Cards

Diplomatic tax exemption cards labeled "Mission Tax Exemption – Official Purchases Only" are

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used by foreign missions to obtain exemption from sales or use tax on purchases that are necessary for the mission's operations and functions. All purchases must be paid for with a check, credit card, or wire transfer transaction in the name of the foreign mission.

OFM will only issue mission tax exemption cards to an individual who (1) is a principal member or employee of the mission, (2) holds an A or G series visa (and in the case of a G series visa holder, is a diplomatic agent), and (3) is not considered to be "permanently resident in" the United States for purposes of the VCDR and VCCR. This person's photo will appear on the card and is the mission's point of contact. However, individuals other than the person pictured on the exemption card may present the card when making purchases in the name of the mission.

Personal Tax Exemption Cards

Diplomatic tax exemption cards labeled "Personal Tax Exemption" are used by eligible foreign mission members and their dependents to obtain exemption from sales or use tax on personal purchases in the United States. The card must be used solely for the benefit of the individual identified and pictured on the card. The card is not transferable and cannot be loaned to any other person, regardless of that person's eligibility for exemption from taxation. There is no restriction on the form of payment that can be used with the card.

Eligibility for personal tax exemption cards is determined on a case-by-case basis, but the following individuals are generally entitled to apply for a card, if they are neither United States nationals nor permanently resident in the United States for purposes of the VCDR or VCCR:

- Diplomatic agents, members of the administrative and technical staff, consular officers, and consular employees;
- The members of their families forming part of their households, but in the case of a child: those aged 18-21 years, or aged 18-23 years if accredited as a justified student.
- Other personnel may also be eligible to apply for a card if they qualify based on a treaty other than the VCDR or VCCR.

Levels of Exemption

Not all missions or personnel are issued diplomatic tax exemption cards, and missions and personnel holding cards may have varying levels of tax exemption privileges authorized by the card. The level of exemption is set by OFM on the basis of reciprocity, determined by the tax relief privileges enjoyed by the U.S. Mission and personnel in a foreign country. The cards contain text on the front and back that indicate the level of exemption authorized for the cardholder. Some cards authorize an unrestricted exemption from sales taxes, and other cards authorize an exemption with some degree of restriction, such as a minimum purchase requirement, excluded categories, or both. In addition, tax exemption cards may not be used for exemption from taxes imposed on purchases of motor vehicles, gasoline/diesel fuel, utility services, airline tickets, or cruises. Exemption from taxes on these items is managed and authorized by different means, and requires a request to be directed to OFM or the American Institute in Taiwan (AIT). With respect to the sales and use tax exemption for vehicles, the purchaser is required to provide a valid Tax Exemption Card or protocol identification card and the retailer is required to obtain an exemption letter from OFM or the American Institute in Taiwan (AIT).

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Regulation 1619, *Foreign Consuls*

Discussion

Correspondence from the U.S. Department of State, Office of Foreign Missions

In a December 16, 2014 letter (Exhibit 1) addressed to the Executive Director, Board of Equalization (BOE), the OFM notified the BOE of a policy in which the AIT issues tax exemption cards to certain eligible persons. The letter suggested that the BOE issue a regulation, ruling, or statement with respect to the exemption cards issued by AIT. The letter further suggested that the BOE revise Regulation 1619, *Foreign Consuls*, to include a specific reference to sales to a foreign government/consulate itself for official purposes.

American Institute of Taiwan – Issues Tax Exemption Cards

In 1979, after the United States established diplomatic relations with the People's Republic of China, Congress, via the Taiwan Relations Act (TRA), created the AIT and charged it with the task of fostering strong but non-diplomatic ties between the people of the United States and Taiwan. AIT serves as the advocate to Taiwan authorities for U.S. political, economic and security interests. In addition, AIT supports the operations of a wide variety of U.S. agencies by negotiating cooperation agreements on behalf of the United States with its Taiwan counterpart, the Taipei Economic and Cultural Representative Office in the United States (TECRO).

Pursuant to U.S. law¹, TECRO, the Taipei Economic and Cultural Offices (TECOs), their designated employees, and their qualifying dependents are also entitled to tax exemption privileges. Accordingly, the AIT, with the approval of the U.S. Department of State, has now issued tax exemption cards to TECRO, TECOs, and their eligible personnel and dependents. Such privileges are authorized by AIT, not the OFM.

Similar to the tax exemption cards issued by the OFM, the tax exemption cards issued by AIT for eligible TECRO and TECOs personnel authorize an exemption from state sales and use tax, lodging/occupancy tax and similarly imposed taxes at the point of sale. The cards incorporate the same features and design elements as OFM's tax exemption cards and have policies regarding their use that are similar to the policies for OFM-issued tax exemption cards.

To ensure consistency with the policy described above, staff proposes to update Regulation 1619 by adding references regarding the issuance of tax exemption cards by AIT to the eligible offices. With respect to documenting exempt sales of vehicles, staff proposes to specify that a retailer must obtain an exemption letter from OFM or AIT. (See Exhibit 2.)

Sales to a Foreign Government/Consulate

Currently, Regulation 1619 subdivision (a)(2) discusses the exemption from sales and use tax for the purchase or lease of a vehicle “on behalf of” a foreign mission; and subdivision (b) discusses the records a retailer must keep to support deductions for sales to foreign consuls. However,

¹ Taiwan Relations Act (codified at 22 U.S.C. §§ 3301-3316); Agreement on Privileges, Exemptions and Immunities between AIT and TECRO, signed February 4, 2013; Designation and Determination under the Foreign Missions Act, No. FMA-2014-5, dated March 9, 2014.

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Regulation 1619 does *not* (with the exception of vehicles) generally address the issue of sales or leases to a foreign consulate or mission. Regulation 1619 only addresses sales or leases of tangible personal property (in general) to individuals affiliated with foreign consulates, such as foreign consular officers, employees, and members of their families.

Staff proposes to clarify that sales or use tax does not apply to the sale or lease of tangible personal property to a foreign mission or office (such as TECRO and TECO) for official purposes to the extent that such mission or office has been identified by the OFM or AIT as exempt from tax pursuant to treaties or other diplomatic agreements with the United States. This is consistent with the direction suggested by OFM and with the BOE's current treatment for such sales and leases.

Guidance with respect to Vehicles Pre/Post June 1, 2003

The guidance in Regulation 1619 reflecting the OFM's policies regarding the exempt sale or lease of a vehicle prior to June 1, 2003 is no longer relevant. Staff proposes to revise subparagraph (a)(2) and subdivision (b) to only reflect the guidance applicable to transactions after June 1, 2003 and to clarify who qualifies for the exemption on the sale or lease of a vehicle.

Summary

Staff welcomes any comments, suggestions, and input from interested parties on this issue. Staff invites interested parties to participate in the May 5, 2015 interested parties meeting. The deadline for interested parties to provide written responses regarding this discussion paper is May 20, 2015.

Prepared by the Tax Policy Division, Sales and Use Tax Department

Current as of 04/20/2015

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by EXECUTIVE DIRECTOR'S OFFICE
STATE BOARD OF EQUALIZATION

United States Department of State

Washington, D.C. 20520

December 16, 2014

Cynthia Bridges
Executive Director
State Board of Equalization
P.O. Box 942879
Sacramento, CA 94279

Dear Ms. Bridges:

The Department of State's Office of Foreign Missions (OFM) issues tax exemption cards to eligible foreign missions and their accredited members and dependents on the basis of reciprocity and international law, which obligates the host country to provide relief from certain taxes.¹ The current card design, as illustrated on the enclosed flyer, has been in use since 2011.

Pursuant to U.S. law,² the Taipei Economic and Cultural Representative Office in the United States (TECRO), the Taipei Economic and Cultural Offices (TECOs), their designated employees, and their qualifying dependents are also entitled to tax exemption privileges. Accordingly, the American Institute in Taiwan (AIT) has now issued tax exemption cards to TECRO, TECOs, and their eligible personnel and dependents that incorporate the same features and design elements as OFM's tax exemption cards. Such privileges are authorized by AIT, not the Department of State. Therefore, as illustrated on the enclosed flyer, these cards read "American Institute in Taiwan" on the front and include AIT's contact information on the reverse.

The following policies are applicable to both tax exemption cards issued by AIT and those issued by OFM. As a reminder, when presented with a tax exemption card, vendors should verify the card's validity at <https://ofmapps.state.gov/tecw/> or by calling the phone number on the back of the tax exemption card or on the enclosed flyer.

Types of Purchases Permitted and Not Permitted

Depending on the language printed on the card (which may contain restrictions as to amount or item), tax exemption cards can generally be used to obtain exemption in person and on point-of-sale purchases. This includes an exemption from sales taxes and other similarly imposed taxes on purchases of most goods and services, hotel stays, and restaurant meals in the United States. Exemption from taxes on purchases of motor vehicles, gasoline/diesel fuel, utility

¹ Vienna Convention on Diplomatic Relations, Vienna Convention on Consular Relations, and other treaties.

² Taiwan Relations Act (codified at 22 U.S.C. §§ 3301-3316); Agreement on Privileges, Exemptions and Immunities between AIT and TECRO, signed February 4, 2013; Designation and Determination under the Foreign Missions Act, No. FMA-2014-5, dated March 9, 2014.

services, or real estate is managed and authorized by different means, and requires a request to be directed to OFM or AIT.

Mission or Official Tax Exemption Cards

Tax exemption cards that are labeled as “Official Purchases Only” are used by foreign missions (including TECRO and TECO) to obtain exemption from sales and other similarly imposed taxes on purchases in the United States that are necessary for the mission’s operations and functions. Hotel stays for the purpose of tourism, medical treatment, or leisure travel are not considered necessary for the mission’s operations and functions. All purchases must be paid for with a check, credit card, or wire transfer transaction in the name of the foreign government or mission, TECRO, or TECO. The individual pictured on the card is the point of contact and need not be present at the purchase.

Personal Tax Exemption Cards

Tax exemption cards that are labeled as “Personal Tax Exemption” are used by eligible personnel and their dependents to obtain exemption from sales and other similarly imposed taxes on personal purchases in the United States. The card is not transferable and cannot be loaned to any other person, regardless of that person’s eligibility for exemption from taxation. There is no restriction on the form of payment that can be used with this type of card.

Guidance Issued by California

Our research indicates that **Sales and Use Tax Regulation 18 CCR § 1619 (Foreign Consuls)** constitutes the guidance promulgated by the State of California governing the extension of exemption from sales and use tax to foreign missions and their personnel. We have also located a reference to the tax exemption program on pages 2-3 of the BOE’s June 2011 Tax Information Bulletin. For Regulation 1619, we suggest including a specific reference to sales to the foreign government/consulate itself (i.e., official purchases).

Additionally, we were unable to locate any guidance governing the extension of tax exemption to TECRO, TECOs, and their personnel. OFM encourages the Department of Revenue to issue a regulation, ruling or statement mirroring the rules cited above for TECRO, TECOs, and their personnel, particularly in light of the presence of TECO offices in both Los Angeles and San Francisco. Please let us know if we have missed any relevant guidance.

The Department of State wishes to thank your office for its ongoing support of this program, which encourages vendors to extend a tax exemption with confidence. Please contact my office at 202-895-3500 ext. 2 or OFMTaxCustoms@state.gov with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cheryl A. Cappiello Edson", with a long, flowing horizontal stroke extending to the right.

Cheryl A. Cappiello Edson
Program Manager (Tax)
Office of Foreign Missions

Enclosure: Updated Tax Exemption Card Flyer



TAX EXEMPTION CARDS

The U.S. Department of State issues tax exemption cards to eligible foreign missions, accredited members and dependents on the basis of international law and reciprocity. These cards authorize exemption from sales tax, occupancy tax, and similarly imposed taxes at the point of sale.

✓ **YES** *most goods and services, hotel stays, and restaurant meals (subject to restrictions)*

✗ **NO** *motor vehicles, gasoline/diesel fuel, utility services, or property tax (requests must be sent to OFM)*

Please verify the validity of a tax exemption card at <https://ofmapps.state.gov/tecv/> or by contacting the **Office of Foreign Missions (OFM)** during business hours:

Washington, DC	(202) 895-3500 x2
Chicago	(312) 353-5762
Houston	(713) 272-2865
Los Angeles	(310) 235-6292
Miami	(305) 442-4943
New York	(646) 282-2825
San Francisco	(415) 744-2910

For more information, please visit <http://www.state.gov/ofm/tax>.

OFFICIAL PURCHASES

- ▶ Used by missions
- ▶ Payment in mission's name
- ▶ Individual pictured need not be present
- ▶ **OWL:** no restrictions
- ▶ **BUFFALO:** some restrictions (please read card)



PERSONAL PURCHASES

- ▶ Not transferable
- ▶ Any form of payment
- ▶ For benefit of individual pictured
- ▶ **EAGLE:** no restrictions
- ▶ **DEER:** some restrictions (please read card)



AMERICAN INSTITUTE IN TAIWAN

TAX EXEMPTION CARDS

Under U.S. law, the Taipei Economic and Cultural Representative Office (TECRO), Taipei Economic and Cultural Offices (TECOs), their eligible employees and dependents are also eligible for tax exemption privileges. These privileges are authorized by the **American Institute in Taiwan (AIT)** and not the U.S. Department of State.

Please verify the validity of an AIT tax exemption card at <https://ofmapps.state.gov/tecvc/> or by contacting AIT during business hours at **(703) 525-8474**.

Like the other tax exemption cards, these cards authorize exemption from sales tax, occupancy tax, and similarly imposed taxes at the point of sale.

✓ **YES** *most goods and services, hotel stays, and restaurant meals*

✗ **NO** *motor vehicles, gasoline/diesel fuel, utility services, or property tax (requests must be sent to AIT)*

OFFICIAL PURCHASES

- ▶ Used by TECRO/TECO
- ▶ Payment in TECRO/TECO's name
- ▶ Individual pictured need not be present
- ▶ **OWL:** no restrictions



PERSONAL PURCHASES

- ▶ Not transferable
- ▶ Any form of payment
- ▶ For benefit of individual pictured
- ▶ **EAGLE:** no restrictions



Regulation 1619. *Foreign Consuls.*

Reference: Sections 6272, 6352, and 7053, Revenue and Taxation Code.

Vienna Convention on Diplomatic Relations of April 18, 1961.

Article 34 (23 UST 3242) T.I.A.S. No. 7502.

(a) Application of Tax.

(1) Official Purchases - In General. Tax does not apply to the sale or use of tangible personal property sold or leased to a foreign mission or representative office to the extent that such mission or representative office has been identified by the U.S. Department of State or the American Institute in Taiwan as exempt from the tax pursuant to treaties or other diplomatic agreements with the United States. A foreign mission or representative office exempt from taxation pursuant to treaties or other diplomatic agreements with the United States will be issued a Mission Tax Exemption Card by the U.S. Department of State, or an Official Tax Exemption Card by the American Institute in Taiwan, for official purchases only and for the sole benefit of the foreign mission or representative office identified on the face of the card. To qualify for exemption, the U.S. Department of State or the American Institute in Taiwan requires that all purchases be paid for by a check or credit card bearing the name of the foreign mission or representative office.

(2) Personal Purchases - In General. ~~Neither sales tax nor use tax applies to the sale or use of tangible personal property sold or leased to foreign consular officers, employees, or members of their families, or to a representative office's employees and members of their families,~~ to the extent that such persons have been identified by the U.S. Department of State or the American Institute in Taiwan as exempt from the tax pursuant to treaties or other diplomatic agreements with the United States. Persons identified as exempt from taxation pursuant to treaties or other diplomatic agreements with the United States will be issued a Personal Tax Exemption Card by the U.S. Department of State or the American Institute in Taiwan which identifies the bearer as exempt from tax and which specifies the extent of the exemption.

(3) Tax applies to sales of tangible personal property to foreign missions or representative offices, foreign consular officers, employees, or members of their families, or to a representative office's employees and members of their families, who do not hold a Tax Exemption Card issued by the U.S. Department of State or the American Institute in Taiwan except as provided in subparagraph (a)(24) below. Also, tax applies to sales of tangible personal property to persons holding Tax Exemption Cards where their total purchases in a single transaction do not exceed the minimum level of exemption as specified on the Tax Exemption Card. Sales or use tax applies to the sale or use of tangible personal property sold to nationals of the United States even though such persons may perform consular functions for foreign governments.

(24) Vehicles. ~~In addition to the exemption provided in subparagraphs (a)(1) and (a)(2), the purchase or lease of vehicles on or after the date of assumption of duties by foreign consular~~

~~officers, employees, or members of their families who do not hold a Personal Tax Exemption Card will be exempt from the sales and use taxes if an identification letter is furnished directly to the retailer by the Office of Foreign Missions, U.S. Department of State (OFM). In the absence of a Mission Tax Exemption Card, the purchase or lease of vehicles on behalf of a mission also will be exempt from the sales and use taxes provided an identification letter is furnished directly to the retailer by OFM. Such letters must confirm the name, exempt status, identification number (if available), and date of assumption of duties of the person seeking the exemption (if applicable) and must be furnished to the retailer at the time of the sale. For purposes of this regulation, "vehicle" is as defined in Section 6272 of the Revenue and Taxation Code.~~

~~Effective June 1, 2003, the sale or lease of vehicles to foreign missions or representative offices, foreign consular officers, employees, or members of their families, or to a representative office's employees and members of their families, will be exempt from the sales and use tax if:~~

- ~~(A) The purchaser provides a valid Tax Exemption Card (Personal, ~~or~~ Mission, or Official) or a protocol identification card to the retailer; and~~
- ~~(B) The retailer contacts and obtains directly from the U.S. Department of State, Office of Foreign Missions~~OFM~~ or the American Institute in Taiwan a letter stating that the vehicle sale or lease to the purchaser is eligible for exemption from tax (~~"OFM Eligibility Letter"~~).~~

~~For purposes of this regulation, "vehicle" is as defined in section 6272 of the Revenue and Taxation Code.~~

~~(b) Records of Retailers. Invoices or other written evidence of sale must be retained by the retailer to support any transaction deduction claimed as an exempt sale on its sales and use tax returns for sales to foreign consuls. The invoices or other written evidence should show the name of the purchaser, the name of the mission or representative office, the tax exemption number, the expiration date of the Tax Exemption Card, and the minimum level of exemption specified on the Tax Exemption Card. In addition, to support each transaction claimed as an exempt sale or lease of a vehicle to a foreign diplomat or mission not holding a Tax Exemption Card, the identification letter from the OFM confirming the exempt status of the diplomat must be retained by the retailer.~~

~~Effective June 1, 2003, in addition to retaining invoices or other written evidence as specified above, the retailer must retain a copy of the Tax Exemption Card (Personal, ~~or~~ Mission, or Official) or protocol identification card, and the letter from the U.S. Department of State, Office of Foreign Missions~~OFM~~ or the American Institute in Taiwan stating that the vehicle sale or lease to the purchaser is eligible for exemption from tax~~Eligibility Letter~~ to support each transaction claimed as an exempt sale or lease of a vehicle to a foreign consular officer, employee, or member of his or her family.~~

Note: For special provisions affecting record retention, see Regulation 1698.