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SC INFORMATION LETTER #90-3

TO: Vicki Jinnette
Public Information Director

FROM: Jerry Knight, Manager
Tax Policy and Appeals Department

DATE: January 8, 1990

SUBJECT: Amendment to SC Information Letter #89-27 – Diplomatic Sales Tax
Exemption Program
(Sales and Use)

REFERENCE: S.C. Code Ann. Section 12-35-550(1) (1976)
S.C. Information Letter #89-27

AUTHORITY: S.C. Code Ann. Section 12-3-140 (1976)
SC Revenue Procedure #87-3

SCOPE: An Information Letter is a temporary document issued for the purpose of disseminating general tax information and to respond to technical questions from within the Commission which are not related to a specific set of facts.

SC Information Letter #89-27 concerns the exemption from sales, use and accommodations taxes for foreign diplomats, pursuant to Code Section 12-35-550(1) and two diplomatic treaties signed by the United States. Information Letter #89-27 describes certain types of tax exemption cards issued by the Office of Foreign Missions of the U.S. Department of State.

In a bulletin issued in September, 1989, the Office of Foreign Missions described certain changes in the Diplomatic Sales Tax Exemption Program. The exemption program, and SC Information Letter #89-27, have been amended as described below.

The State Department has instituted a new data processing system which requires the issuance of new cards. The new cards are slightly smaller and the color tones have been lightened. The format is identical to that of the old card and there is still a security seal over the left-hand corner of the bearer's photograph. The red cards, which require a minimum purchase amount, now include the statement "INCLUDES HOTEL ROOM TAXES" to eliminate any confusion regarding their applicability to those taxes.

Temporary tax exemption cards are currently being issued, due to a shortage in new card stock for the Red \$100 series. The expiration date of all temporary cards is December 31, 1989. These cards are printed in black and white and are stamped "TEMPORARY". The message on the reverse side of the card, indicating the type of exemption, is printed on the card, rather than engraved.

The State Department has also changed the format of the identification numbers. All cards issued after June 16, 1989, show a Personal Identification Number (PID). The department has changed from an alpha-numeric system (i.e. IT-88-1234) to a strictly numeric system (i.e. 3004-1234-01).

Cards with the old type identification number will continue to circulate for about 3 years, until they expire.