

	MUNICIPALITY OF ANCHORAGE	
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**AMC 12.45 – RENTAL VEHICLE TAX
 INFORMATIONAL #1
 Diplomatic Exemption**

Issued: August 1, 2000
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Anchorage Municipal Code (AMC) 12.45.040.A. indicates that certain motor vehicle rentals are exempt from the Rental Vehicle Tax. Pursuant to Article VI of the United States Constitution, which states that treaties are the supreme law of the land, an exemption is granted for motor vehicle fees and costs “paid directly by a person who is an officer or employee of a foreign government or by such person’s foreign government employer which is exempt from taxation by law or treaty.”

AMC 12.45.010 (Definitions) provides guidance on what is meant by “paid directly” while AMC 12.45.150 (Maintenance and inspection of documents and records) provides guidance on what information must be gathered and maintained by any person who collects fees and costs for the rental of a motor vehicle in order to justify not collecting the rental vehicle tax under this exemption.

The U.S. Department of State Office of Foreign Missions (OFM) oversees the U.S. Diplomatic Tax Exemption Program. Descriptions of the diplomatic identification cards may be found on the OFM web site at <http://www.state.gov/ofm/tax/>. OFM also provides a link for online verification of the status of a given ID card. Please read the materials carefully, since it is important to know that not all personnel of foreign governments or organizations such as the United Nations are granted exemption. It is also important to note that not all foreign governments are granted tax exemption from federal, state or local taxes because the granting of tax exemption by the United States may be withheld depending upon the policies of a foreign government in granting similar privileges to U.S. personnel.

If you have any questions about this matter, please contact the Treasury Division of the Municipality of Anchorage at the numbers listed below between 8:00AM and 5:00PM Monday through Friday, except on holidays.