



COMMONWEALTH OF VIRGINIA  
Department of Taxation  
Richmond, Virginia 23219

MEMORANDUM

TO: Wallace S. Cordle, Director  
Field Services Division

FROM: Janie E. Bowen, Director *Janie E. Bowen*  
Tax Policy Division

RE: Audit of \_\_\_\_\_ n Army Detachment at Dulles Airport

DATE: **March 8, 1989**

After extensive research and contact with the Department of Defense and the State Department, it is our consensus that the department can properly assess tax on tangible personal property purchased in Virginia by the \_\_\_\_\_ Army Detachment located at Dulles Airport. However, under the NATO agreement, the Virginia use tax is not applicable to tangible personal property the \_\_\_\_\_ Army purchased outside the state which is brought into Virginia for official purposes.

Purchases made by foreign embassies and diplomats are exempt from state taxation under the Vienna Convention. Additionally, items which are purchased under the Foreign Military Sales (FMS) program by the United States Government on behalf of foreign countries are exempt from the tax.

As provided in Article XI of the NATO Agreement, an exemption is also provided for fuel, oil and lubricants for use in service vehicles, aircraft and vessels of a foreign unit.

If you have any questions regarding this policy, please give me a call.

cc: Reese Brackett, Northern District Office