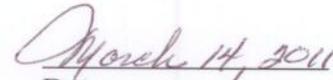

Approved for Release
Mary C. Pleffner
Director for Administrative Services


Date

DEPARTMENT OF COMMERCE (DOC)
CHIEF FINANCIAL OFFICER AND ASSISTANT SECRETARY FOR ADMINISTRATION
OFFICE OF ADMINISTRATIVE SERVICES

TRAVEL BULLETIN #16, FY11

SUBJECT: Sales Tax Exemption for Official Government Travel

EFFECTIVE DATE: January 14, 2011

EXPIRATION DATE: Effective until canceled or superseded

PURPOSE: This bulletin serves as a reminder to travelers of the possible sales tax exemption for purchases made while on official Government travel.

Transactions against Federal Government accounts paid directly by the Government are exempt from state and local sales tax for purchases made within the United States. However, not all states honor this exemption for Federal travelers and only a few automatically exempt travelers on official Government business from paying tax when they use their individually-billed Government Travel Charge Card (GTCC).

To reduce overall travel expenses, travelers are encouraged to take advantage of all available state and local tax exemptions. Travelers can access state tax information, and in some cases, download required tax exemption forms on the GSA SmartPay2 website: <https://smartpay.gsa.gov/about-gsa-smartpay/tax-information/state-response-letter>. The attached memorandum provides additional information on sales tax exemptions.

REFERENCES: Memorandum from Frederick Stephens, Deputy Assistant Secretary for Administration dated January 14, 2011.

OFFICE OF COMMERCE SERVICES: Marilyn Stoll, Associate Director, Office of Commerce Services, MStoll@doc.gov, 202-482-3721.

PROGRAM MANAGER CONTACT INFORMATION: Lester Weisbeck, Chief, Travel Management Division, LWeisbeck@doc.gov, 202-482-1818.



UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer
Assistant Secretary for Administration
Washington, D.C. 20230

JAN 14 2011

MEMORANDUM FOR: Purchase, Travel and Fleet Charge Card Program
Participants

FROM: Frederick Stephens 
Deputy Assistant Secretary for Administration

SUBJECT: Sales Tax Exemption

This memorandum serves as a general reminder to all purchase, travel, and fleet cardholders; it is imperative that cardholders are aware of the sales tax exemption status for Government charge cards. Transactions against Federal government accounts that are directly paid by the Government (i.e. centrally billed purchase, travel, and fleet cards) are exempt from state and local sales tax for purchases made within the United States. As a general rule, states do not usually exempt Individually Billed Account (IBA) cards.

Merchants are required to recognize the tax exempt status of official Federal government purchase, travel, and fleet charge card transactions. Tax exemption rules vary by state; therefore, cardholders can access state tax information on the GSA SmartPay2 website directly at <https://smartpay.gsa.gov/about-gsa-smartpay/tax-information/state-response-letter>. The website contains state-to-state tax exemption information, forms, state tax websites, points of contact, and other important state tax information.

Cardholders who have been incorrectly charged sales tax should immediately contact the merchant to have the sales tax charges reversed, dispute the sales tax transaction in the servicing bank electronic access system, or contact JP Morgan Chase Customer Service. Cardholders are encouraged to keep abreast of tax exemption information in an effort to decrease unnecessary tax charges to the Government.

If you have additional questions, please contact David Carter, GSA SmartPay2 Program Manager, at 202-482-1966 or dcarter@doc.gov