GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer
Office of Tax and Revenue

DISTRICT OF COLUMBIA SALES TAX EXEMPTION PAYMENT POLICY

FOR FEDERAL GOVERNMENT AGENCIES, DISTRICT OF COLUMBIA
GOVERNMENT, OTHER LISTED STATE GOVERNMENTS AND THEIR POLITICAL
SUBDIVISIONS, FEDERAL CREDIT UNIONS AND ORGANIZATIONS
RECOGNIZED D.C. SALES TAX EXEMPT

In accordance with D. C. Code §47-2005 and 9 D.C.M.R. §445, sales to the U. S. government
are exempt from the sales tax if the charges are directly incurred and discharged by the U. S.
government. In order for the sale to be exempt from the tax, the payment must be made with a
government check or purchase order paid directly to the vendor.

Any purchase made and paid to a vendor by an employee of the U. S. government, other listed
state governments and their political subdivisions, Federal Credit Unions and organizations
recognized D.C. sales tax exempt with cash, personal check or personal credit card is considered
to be a transaction between the employee and the vendor, and the purchase is subject to D. C.
sales tax.

Beginning November 30, 1998, U. S. government agencies, District of Columbia
Government, other listed state governments and their political subdivisions, Federal Credit
Unions and organizations recognized D. C. sales tax exempt are allowed to use the credit
card to exempt the sales from D. C. sales and use tax as long as the credit card used to pay
the purchase is the one that is billed directly and paid by the tax exempt entity. Employee ID
required.

U. S. government agencies will be allowed to use the newly issued GSA SmartPay cards: travel,
fleet and purchase cards with the employee’s name. A certificate of exemption is not required
for Federal agencies using the cards since our statute and regulations already exempt sales to the
U.S. government. A photocopy of the card is prohibited for verification of a U.S. government
sale and may not be retained by the vendor due to security issues. However, the credit card
receipt will show the account number that will validate exempt status and must be retained by
the vendor for U.S. government sale to be exempt. Note: Only those travel cards with the 6th
digit of the account numbering structure: 0, 6, 7, 8, 9 are exempt from the sales tax.

ISSUED NOVEMBER, 2003

P.O. Box 556, Washington, D.C. 20044
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IMPORTANT NOTICE

On November 30, 1998, the U.S. Government General Service Administration office implemented a new credit card program called “GSA Smart Pay.” All cards issued will have unique prefixes and account numbers, government-designed artwork, and wording that denote the card is for use by the United States of America. Additional information about the card may be found on the following website: [www.gsa.gov/smartpay](http://www.gsa.gov/smartpay).

**Fleet Cards:** All federal government fleet cards are centrally billed. This means that all charges are billed directly to the federal government and paid directly by the federal government. The account numbering structure for all fleet cards is as follows:

<table>
<thead>
<tr>
<th>Prefix (1st four digits)</th>
<th>Platform</th>
<th>Issued By</th>
<th>Centrally Billed charges are billed directly to and paid directly by the Federal Government and are tax exempt for DC purposes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>8699</td>
<td>Voyager</td>
<td>Citibank, NationsBank and U.S. Bank</td>
<td>Yes</td>
</tr>
<tr>
<td>5568</td>
<td>MasterCard</td>
<td>Citibank, First National Bank of Chicago, NationsBank and U.S. Bank</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Note:** You will hear about this card often from vendors that may be concerned about a federal employee using it.
**Purchase Cards:** All federal government purchase cards are centrally billed. This means that all charges are billed directly to the federal government and paid directly by the federal government. The account numbering structure for all purchase cards is as follows:

<table>
<thead>
<tr>
<th>Prefix (1st four digits)</th>
<th>Platform</th>
<th>Issued By</th>
<th>Centrally Billed charges are billed directly to and paid directly by the Federal Government and sales are tax exempt for DC purposes when card is used at said vendor.</th>
</tr>
</thead>
<tbody>
<tr>
<td>4486 &amp; 4716</td>
<td>Visa</td>
<td>Citibank, NationsBank and U.S. Bank</td>
<td>Yes</td>
</tr>
</tbody>
</table>
**Travel Cards:** federal government travel cards may be centrally billed or individually billed. Individually billed charges are billed to and paid by the federal employee, and then reimbursed by the federal government. Centrally billed charges are billed directly to and paid directly by the federal government. The 6th digit of the account numbering structure will denote whether the travel card is centrally or individually billed as follows:

**Note:** Hotels in Washington, DC will constantly ask you about this card. Be sure to note the difference in how these cards are exempt and taxable.

<table>
<thead>
<tr>
<th>Prefix (1st four digits)</th>
<th>Sixth Digit</th>
<th>Platform</th>
<th>Issued By</th>
<th>Billing Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>4486 &amp; 4716 &amp; 5568</td>
<td>0, 6, 7, 8, 9 Exempt from the sales tax</td>
<td>Visa and Master Card</td>
<td>Citibank, First National Bank of Chicago, NationsBank, and U.S. Bank</td>
<td>Centrally Billed charges are billed directly to and paid directly by the Federal Government and therefore exempt from DC sales tax.</td>
</tr>
<tr>
<td>4486 &amp; 4716 &amp; 5568</td>
<td>1, 2, 3, 4 DC Sales Taxable</td>
<td>Visa and MasterCard</td>
<td>Citibank, First National Bank of Chicago, NationsBank, and U.S. Bank</td>
<td>Individually Billed and subject to the Sales tax in DC</td>
</tr>
</tbody>
</table>

**Integrated Cards:** federal government integrated cards include fleet, travel and/or purchase functionality and offers the federal government a single card for all of its purchases. All fleet and purchase type transactions on an integrated card are centrally billed. **Travel** functionality may be centrally billed or individually billed. For **travel** functionality only, the 6th digit of the account numbering structure will denote whether the travel card is centrally or individually billed as follows:

<table>
<thead>
<tr>
<th>Prefix (1st four digits)</th>
<th>Sixth Digit</th>
<th>Platform</th>
<th>Issued By</th>
<th>Billing Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>4486 &amp; 4716 &amp; 5568</td>
<td>0,6,7,8,9 Exempt from the DC Sales Tax</td>
<td>Visa and MasterCard</td>
<td>Citibank, First National Bank of Chicago, NationsBank, and U.S. Bank</td>
<td>Centrally Billed cards are exempt from the DC Sales Tax</td>
</tr>
<tr>
<td>4486 &amp; 4716 &amp; 5568</td>
<td>1,2,3,4 Are not exempt from the DC sales tax.</td>
<td>Visa and MasterCard</td>
<td>Citibank, First National Bank of Chicago, NationsBank, and U.S. Bank</td>
<td>Individually Billed are subject to the DC Sales Tax</td>
</tr>
</tbody>
</table>

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January 2008

List of States, Commonwealhts or Territories of the United States which are exempt from District of Columbia Sales and Use Taxes. A copy of their Special Letter of Exemption (FR-300) from the Office of Tax and Revenue must be presented to vendors as evidence of exempt status.

Alaska
Florida
Illinois
Iowa
Maryland
Michigan
New Mexico
North Dakota
Ohio
Oregon
Virgin Islands

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