

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

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



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.

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:

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

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:

Prefix (1st four digits)	Platform	Issued By	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.
4486 & 4716	Visa	Citibank, NationsBank and U.S. Bank	Yes
5568	MasterCard	Citibank, First National Bank of Chicago, NationsBank, Mellon Bank and U.S. Bank	Yes

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.

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

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:

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

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



January 2008

List of States, Commonwealths 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

Wayne H. Nickum
Tax Auditor
(202) 442-6586
FAX (202) 442-6882
WAYNE.NICKUM@DC.GOV