



July 16, 2008

Dear Sir or Madam:

We are requesting tax exemption for Federal Government purchases made under the United States General Services Administration (GSA) SmartPay[®] charge card program. The GSA SmartPay[®] program provides charge card services to Federal government agencies/organizations for conducting official business. The program consists of four business lines: purchase charge cards for purchasing supplies and services to support U.S. government missions, travel charge cards for official government travel and travel related expenses, fleet charge cards for government vehicle fuel and maintenance requirements, and integrated charge cards, which combine two or more of the business lines. For most agencies/organizations, the GSA SmartPay[®] 2 follow-on program will be effective November 30, 2008 through November 29, 2018, and will provide charge cards issued through Citibank, JPMorgan Chase, and US Bank. However, a few agencies may begin processing transactions under the GSA SmartPay[®] 2 program prior to November 30, 2008.

At the inception of this program in 1998, GSA requested that states/jurisdictions/US territories provide information regarding the state tax exemptions for which GSA SmartPay[®] charge cards were eligible. We also requested any requirement for tax exemption certification be rescinded. Today, in preparation for GSA SmartPay[®] 2, we once again respectfully request your assistance in recognizing the tax exempt status of official federal government purchase, travel, fleet, and integrated charge card transactions. We also ask that you review and rescind any requirement for the U.S. Federal Government to provide tax exemption certification when a GSA SmartPay[®] 2 charge card is used as the method of payment. In lieu of the administratively burdensome tax exemption certification, all GSA SmartPay[®] 2 charge cards can be identified by their unique prefixes and account numbers, government-designed artwork, and wording that indicates that the card is for official purchases for the U.S. Government. Card designs and account numbering structures can be accessed at www.gsa.gov/gsmartpay and are also provided as attachments to this letter for your reference. Please use this information to identify GSA SmartPay[®] 2 cards.

This memorandum includes a brief form for you to identify the tax exemptions available in your state/jurisdiction/U.S. territory for the U.S. Federal Government, as well as any certification requirements. **We ask that each state, jurisdiction, and U.S. territory complete this form and return it to the GSA SmartPay[®] office by July 25, 2008.** All tax exemption information provided will be communicated and published on the GSA SmartPay[®] website for reference by government cardholders, vendors, federal agencies, and other users. Thus, we encourage you to also make this information accessible on your respective websites as appropriate.

Please submit completed forms via email to comesha.everett@gsa.gov.

Completed forms may also be sent via mail to:

U.S. General Services Administration
Office of Charge Card Management
2200 Crystal Drive
Room 500
Arlington, VA 22202
Attn: Camesha Everett

1800 F Street, NW
Washington, DC 20405-0002
www.gsa.gov

If you have any questions, please contact Camesha Everett at (703) 605-1834. For additional information about our program, please visit us on our website at www.gsa.gov/smartpay.

We greatly appreciate your assistance in this important matter.

Sincerely,

David J. Shea
Director
Office of Charge Card Management
Federal Acquisition Service
U.S. General Services Administration

Attachments



I. STATE / JURISDICTION / U.S. TERRITORY INFORMATION

Please indicate the state / jurisdiction / U.S. territory for which you are reporting:

State / Jurisdiction / U.S. Territory:

II. TAX EXEMPTION OFFERINGS

Please indicate which of the following tax exemptions your state / jurisdiction / U.S. territory provides to government customers with centrally billed accounts and/or individually billed accounts as described below. Please also use this section to provide a description of the applicable tax exemptions, pertinent statutes, regulations, court rulings, etc. that pertain to the type of tax exemption.

Centrally Billed Accounts (CBAs) are charge card accounts paid directly by the government to the issuing bank.
 Individually Billed Accounts (IBAs) are charge card accounts paid directly by the cardholder to the issuing bank, but cardholders are reimbursed by the government, as official government expenses.

Tax Exemption Offerings (Please check all that apply)		Additional Information (Description, pertinent statutes, regulations, etc.)
Sales Tax	<input type="checkbox"/> Centrally Billed Accounts (CBAs)	
	<input type="checkbox"/> Individually Billed Accounts (IBAs)	
Lodging Tax	<input type="checkbox"/> Centrally Billed Accounts (CBAs)	
	<input type="checkbox"/> Individually Billed Accounts (IBAs)	
Hotel Occupancy Tax	<input type="checkbox"/> Centrally Billed Accounts (CBAs)	
	<input type="checkbox"/> Individually Billed Accounts (IBAs)	
Public Accommodation Tax	<input type="checkbox"/> Centrally Billed Accounts (CBAs)	
	<input type="checkbox"/> Individually Billed Accounts (IBAs)	
Tourism Tax	<input type="checkbox"/> Centrally Billed Accounts (CBAs)	
	<input type="checkbox"/> Individually Billed Accounts (IBAs)	
Fleet Tax	<input type="checkbox"/> Gasoline <input type="checkbox"/> Diesel Fuel <input type="checkbox"/> Alternative Fuel	
	<input type="checkbox"/> Maintenance	
Other Tax	<input type="checkbox"/> Other: please specify _____ <input type="checkbox"/> CBA <input type="checkbox"/> IBA	

III. TAX EXEMPTION FORMS

As indicated in GSA's letter, we request that the GSA SmartPay® 2 cards' design and structure suffice for tax exemption certification. If this is not possible, please indicate if your state / jurisdiction / U.S. territory requires government customers to complete any documentation in order to receive a tax exemption. Also, please indicate the website address for accessing any required forms; you may also provide the form via an email attachment.

	Tax Exempt Documentation	Website Address or Hyperlink:
1		
2		
3		

IV. TAX RECOVERY PROCEDURES

Please indicate the procedures that government customers should follow in the event that taxes are charged to official government transactions in error.

Tax Recovery Procedures:

V. CONTACT INFORMATION

Please indicate the point-of-contact for follow-up questions related to your tax exemption policies.

Last Name, First Name:	
Name of Agency:	
Office Address (Line 1):	
Office Address (Line 2):	
City, State Zip:	
Phone Number:	
Fax Number:	
Email Address:	

Thank you for your assistance in this important matter!

GSA SmartPay® 2 Card Numbering Systems

GSA SmartPay® 2 cards will be **effective on November 30, 2008** (except in a few cases, which will be effective earlier), and will have specific account number prefixes, as seen in the chart below. GSA SmartPay® 2 cards are provided by three banks: Citibank, JPMorgan Chase, and US Bank. The GSA SmartPay® program provides four business lines: Purchase, Travel, Fleet, and Integrated (includes fleet, travel and/or purchase functionality and offers a single card for all purchases). These cards/accounts can be Centrally Billed Accounts (CBAs) or Individually Billed Accounts (IBAs). Below is a detailed description of each card type and numbering system that GSA Smartpay® 2 provides.

Centrally Billed Accounts (CBAs) are charge card accounts in which **all** charges are billed directly to the federal government and paid directly by the federal government to the issuing bank.

- **Purchase:** All federal government Purchase cards are centrally billed.
- **Fleet:** All federal government Fleet cards are centrally billed.
- **Travel:** Federal government Travel cards/accounts may be centrally billed **or** individually billed.
- **Integrated:**
 - All Fleet and Purchase type transactions on an integrated card are centrally billed.
 - Travel functionality on an integrated card may be centrally billed **or** individually billed.

Individually Billed Accounts (IBAs) are charge card accounts in which charges are paid directly by the cardholder/federal employee to the issuing bank; the federal employee is then reimbursed by the government.

- **Travel:** Federal government Travel cards may be centrally billed **or** individually billed.
- **Integrated:** Travel functionality on an Integrated card may be centrally billed **or** individually billed.

	Purchase	Travel		Fleet	Debit/Prepaid
Prefix (1st four digits)	5568 – MasterCard	5568 – MasterCard		5565 – MasterCard	5564 – MasterCard
	5565 – MasterCard	5565 – MasterCard		5568 – MasterCard	5568 – MasterCard
	4716 – Visa	4486 – Visa		8699 – Voyager	5565 – MasterCard
	4614 – Visa	4614 – Visa			4614 – Visa
	4486 – Visa				
6th digit	N/A	0	CBA	N/A	N/A
		1	IBA		
		2 – 4	IBA		
		5	Reserved		
		6 – 9	CBA		

In addition to the chart provided above, please note the following information:

- **Only the Travel card** uses the 6th digit to identify whether the account is a Centrally Billed Account (CBA) or an Individually Billed Account (IBA).
- **The numbering structure for Integrated Cards** to differentiate between centrally and/or individually billed transactions will be specific to each agency/organization using the Integrated card. This information will be provided on the GSA SmartPay® website (www.gsa.gov/gsmartpay) as it becomes available.

GSA SmartPay® 2 Card Designs



Purchase



Travel



Fleet



Integrated