STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
STATE CAPITOL, 600 E. BOULEVARD AVE., DEPT. 127, BISMARCK, NORTH DAKOTA 58505-0599
701-328-2770 FAX 701-328-3700 Hearing/Speech Impaired 800-366-6888 (TTY Relay North Dakota)
HTTP://WWW.STATE.ND.US/TAXDPT

RICK CLAYBURGH
COMMISSIONER

March 8, 1999

Ms. Rosemarie Dunn
Contract Specialist
Services Acquisition Center
U.S. General Services Administration
1941 Jefferson Davis Highway, Room 507
Arlington, VA 22202

Dear Ms. Dunn:

This is in response to your letter dated February 24, 1999, regarding the use of GSA SmartPay credit cards for Federal Government credit card purchases.

North Dakota provides an exemption from sales tax on purchases made by the Federal Government provided the charge is billed directly to and paid by the Federal Government. An individually billed charge to a Federal Government employee is not exempt from sales tax.

North Dakota has provided the enclosed Exemption Certificate for U.S. Government to retailers, including hotels and motels, to use in verifying that a Federal Government employee is on official government business and that the purchase is paid directly by the Federal government agency the employee represents.

Discussions with Federal employees and with Federal agencies reflect some differences with the credit card account number codes provided by the GSA SmartPay credit card program. The Bureau of Reclamation has been assigned credit cards, which reflect a credit card account number code reflective of individually billed charges. However, in a discussion with their office, it was found that the account number code was in error and new cards were to be issued in the future. In other instances, we have received information that would indicate that some travel charges by a Federal Government employee using a credit card issued by a Federal agency may or may not be directly billed depending on the type of travel charge (i.e., lodging, meals, etc.). The Exemption Certificate for the U.S. Government completed by the Federal Government employee will identify those charges identified as directly billed and exempt from sales tax.

Please contact me should you require additional information or assistance.

Sincerely,

Gary L. Anderson
Director, Sales & Special Taxes
Phone (701) 382-3471

Enclosure

EXEMPTION CERTIFICATE FOR U.S. GOVERNMENT

NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER

SFN 21937 (3-99)

A charge for hotel and motel accommodations, meals, and sales of tangible personal property to a Federal employee on official government business is subject to sales tax if the Federal employee pays by personal check, pays by personal credit card, or pays with a government credit card but is individually billed. An individually billed charge is billed and paid by the Federal employee, and then reimbursed by the Federal Government.

A charge for hotel and motel accommodations, meals, and sales of tangible personal property to a Federal employee on official government business is exempt from North Dakota sales tax if the purchase is made by credit card and regarded as centrally billed charges. A centrally billed charge is billed directly to and paid directly by the Federal Government.

I Hereby Certify that I am a Federal employee on official government business in the state of North Dakota and that the purchase identified below is paid directly by the Federal government agency I represent and does not represent individually billed charges. I understand that falsification of this form to evade payment may constitute a class A misdemeanor.

Note to Retailer: Request a form of identification and insure the Certificate of Exemption is completed legibly.

Date of Purchase	Invoice No.	Print Name, Address, City Zip Code of Purchaser	Print Name of Federal Agency, Credit Card Carrier and Credit Card No.	Signature of Purchaser

(Retailer - Please retain in your files to support exempt sales to U.S. Government.)

Retailer: _____

North Dakota Sales/Use Tax Permit: _____

GENERAL INFORMATION

Effective November 1998, the United States Government began a new credit card program that allows Federal government agencies an opportunity to enter into agreements for credit cards that will enable the purchase of goods and services by their employees. In many cases, the credit card is centrally billed. This means that the charge is billed directly to the Federal Government and paid directly by the Federal Government. A centrally billed credit card purchase is not subject to North Dakota sales tax. However, a situation where the Federal Government credit card is used for travel purposes may result in the charge being centrally billed or individually billed. An individually billed charge is billed to and paid by the Federal employee, and then reimbursed by the Federal Government. An individually billed charge is not exempt from North Dakota sales tax.

In the event the Federal Government employee is not sure of the billing type, centrally billed or individually billed, the employee should contact their agency for clarification before declaring this purchase or service to be exempt from tax. The Federal Government has, in some instances, made available information that enables the employee to determine the billing type; i.e., GSA SmartPay Program - "internet address" http://pub.fss.gsa.gov/services/gsa-smartpay/

Questions about North Dakota sales tax or questions regarding the Certificate of Exemption may be directed to the Sales Tax Compliance Section, North Dakota Office of State Tax Commissioner, State Capitol, 600 E. Blvd. Ave., Bismarck, ND 58505-0599 or calling toll free, 1-800-638-2901, Option 4.