



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

MAY 11, 2015

Documenting Purchases paid by United States Government Credit Card

The U.S. General Services Administration (GSA) SmartPay2 program provides charge card services to the federal government and its employees conducting official business.

Only transactions directly paid by the U.S. government are exempt from retail sales tax. Sales tax must be paid on purchases by federal employees with Individually Billed Accounts (IBAs), even though the federal government may reimburse them.

Accepting SmartPay2 cards

Exempt GSA Smart Pay2 Cards have several designs. Whether the sale is exempt from retail sales tax depends on the card type.

If the credit card is a...	Then the sale is...
 <p>GSA SmartPay2 United States of America U. S. Government Tax Exempt 1,234 5678 9012 3456 Valid thru 12/31/08 JOHN SMITH</p>	<p>Purchase Card (red) embossed with "For Official Government Purchases Only"</p> <p><i>This card may not be used for travel.</i></p>
 <p>GSA SmartPay2 United States of America VEHICLE CARD: Fuel & Maintenance Locations Only 1,234 5678 9012 3456 Valid thru 12/31/08 JOHN SMITH</p>	<p>Fleet Card (green) embossed with "For Official Government Purchases Only"</p> <p><i>This card is only for vehicle fuel and maintenance.</i></p>
 <p>GSA SmartPay2 United States of America ABC Agency 1,234 5678 9012 3456 Valid thru 12/31/08 JOHN SMITH</p>	<p>Travel Card (blue) embossed with "For Official Government Travel Only"</p>
 <p>GSA SmartPay2 United States of America ABC Agency 1,234 5678 9012 3456 Valid thru 12/31/08 JOHN SMITH</p>	<p>Integrated Card (gold) embossed with "For Official Government Use Only"</p>

Exempt

Exempt

If the sixth digit (counting from the left) is 6, 7, 8, 9 or 0.

Records you need to keep

To document the retail sales tax exemption on sales made with an eligible card, you must keep the following information in addition to a receipt:

- Federal employee's name
- Federal government agency's name
- Type of agency card (e.g., purchase card, fleet card, travel card, integrated card)
- Expiration date of credit card
- Name of credit card company
- The sixth digit of the card (for Travel or Integrated Cards)

Business and occupation tax

Gross income received from sales of tangible personal property or retail services to the federal government is subject to retailing business and occupation (B&O) tax. The exemption from the retail sales tax does not extend to the B&O tax.

More information

For more information on the cards issued under the GSA SmartPay2 Program, visit the GSA website at gsa.gov/gsasmartpay.

Also see our Special Notice *Lodging Purchases paid by United States Government Credit Card*.