

Special Notice

Intended audience: US government employees

Oct. 25, 2018

How to document your United States government credit card purchases

By Nov. 30, 2018, the U.S. General Services Administration (GSA) SmartPay® 3 program will provide charge card services to the federal government and its employees for official business. On Nov. 30, 2018, this program replaces the SmartPay® 2 program.

Your transactions are only exempt from retail sales tax if the federal government pays for them. **If you are a federal employee with an Individually Billed Account (IBA), you must pay sales tax on your purchases, even though the federal government may reimburse you.**

GSA SmartPay® 3 charge cards issued under the program will have specific account number prefixes, as seen in the chart below. Citibank and US Bank will issue GSA SmartPay® 3 accounts. The GSA SmartPay® program provides four business lines: Purchase, Travel, Fleet, and Integrated. Your account can be a Centrally Billed Account (CBA) or Individually Billed Account (IBA). You can find a description of account, business lines, and associated numbering schemes below. .

Centrally Billed Account transactions are directly billed to and paid by federal government agencies. All CBA transactions are exempt from state sales taxes.

Accepting SmartPay® 3 cards

Exempt GSA SmartPay® 3 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...



- Purchase card (red) embossed with "For Official Government Use Only"
- You may not use this card for travel

- **Exempt**

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For tax assistance or to request this document in an alternate format, visit <http://dor.wa.gov> or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

If the credit card is a ...

Then the sale is...



- Fleet card (green) embossed with “For Official Government Use Only”
- You can only use this card for vehicle fuel and maintenance

- **Exempt**



- Travel card (blue) embossed with “For Official Government Use Only”

- **Exempt if** the sixth digit from the left is 6, 7, 8, 9, or 0.



- Tax Advantage Travel card (gray) embossed with “For Official Government Use Only”

- **Exempt if** the sixth digit from the left is 5.



- Integrated card (gold) embossed with “For Official Government Use Only”

- **Exempt**

Records you need to keep

To document the retail sales tax exemption on sales federal employees make 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 Tax Advantage Travel cards)

Business and occupation tax

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

More information

For more information on the cards issued under the GSA SmartPay® 3 Program, visit the [GSA website](#).

Also see our [Special Notice Paying for lodging with a United States government credit card](#).