



Jim Zingale
Executive Director

General Tax Administration
Child Support Enforcement
Property Tax Administration
Administrative Services
Information Services

August 30, 2000

Rosemarie Dunn
GSA/FSS/FCXC
ATTN: GSA SmartPay Program
1941 Jefferson Davis Highway, Room 507
Arlington, Virginia 22202

Re: Letter of Technical Advice 00A-724
Documentation Requirements for SmartPay Card
Section 212.05, F.S.
Rule 12A-1.001, F.A.C.

Dear Ms. Dunn:

This Letter of Technical Advice is in response to your correspondence of July 14, 2000, regarding the above referenced matter.

FACTS

The following information has been determined from your correspondence and attached documentation:

The United States Government has recently implemented use of a new credit card issued to its employees for business use. Some of the cards are direct billed to the federal government, and some are billed to the federal employee for government business, which charges will be reimbursed to the employee by the federal government. The sixth digit of the account number determines whether the charges are billed to the U.S. government or to the employee. The first four digits of the account number are assigned only to the United States government, and will vary depending on the credit card company.

REQUESTED ADVISEMENT

The United States Government is requesting that the State of Florida confirm that it will accept the federal agency I.D. number embossed on the card as proof of the exemption, rather than require a special exemption number or letter.

DETERMINATION

Section 212.08(6), Florida Statutes, exempts sales made to the United States government. Rule 12A-1.001(9), Florida Administrative Code, also exempts sales to federal employees for business purposes when the employee is subsequently reimbursed by the federal government.

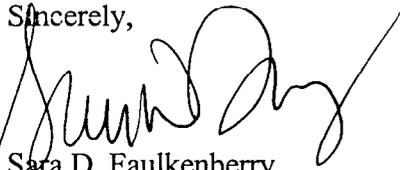
However, dealers must establish the exempt status of the sale. See Rule 12A-1.038(1), F.A.C. With respect to sales made through United States government employees, whether billed directly to the federal government or subsequently reimbursed to the employee by the United States government, the Florida Department of Revenue currently requires that dealers obtain a statement from the U.S. government employee. The statement must provide, among other things, that the purchases are, in fact, billed directly to the federal government, or reimbursed to the employee by the federal government. See Rule 12A-1.001(9)(d), F.A.C. (copy enclosed), for the suggested format of the statement.

This response is based upon the facts and circumstances of your specific situation, as presented, and is not an official statement or opinion of this department but, instead, represents the opinion of the writer. If you wish an official binding statement on this issue, you may file a written request for a Technical Assistance Advisement by following the provisions of the department's Rule 12-11, F.A.C., a copy of which is enclosed. The request for a Technical Assistance Advisement should be sent to the Office of the General Counsel, Technical Assistance and Dispute Resolution, Florida Department of Revenue, P.O. Box 7443, Tallahassee, Florida, 32314-7443.

If you have further questions with regard to this matter and wish to discuss them, you may contact our Technical Assistance Section, 850/414-9838. If you have specific questions and would like a written response, the request should be sent to the Office of the General Counsel, Technical Assistance and Dispute Resolution, Florida Department of Revenue, P.O. Box 7443, Tallahassee, Florida, 32314-7443.

If I may be of further assistance, please do not hesitate to contact me.

Sincerely,



Sara D. Faulkenberry
Tax Law Specialist
Technical Assistance and Dispute Resolution
850/414-9838

Control # 41948
Enclosures

agricultural activity. (See Rule 12A-1.087.)

(7) FUELS. Fuels used by public or private utilities, including municipal corporations and rural cooperative associations, in generating electric power or energy for sale to the general public are exempt from all taxes imposed under Chapter 212, F.S. (For other exempt and taxable fuels, see Rule 12A-1.059.)

(8) GASES. Gases used for medical or therapeutic purposes are exempt. For taxable gases, see Rule 12A-1.015.

(9) GOVERNMENTAL UNITS.

(a) All sales made directly to the United States Government, a state, or any county, municipality, or political subdivision of a state are exempt, except machines, equipment, parts, and accessories therefor used in the generation, transmission, or distribution of electricity. Except for purchases by employees of the United States Government, this exemption is not available for any taxable transaction when payment is made by a governmental employee by use of personal funds, including cash, checks, or credit cards, when the employee is subsequently reimbursed by the governmental entity. Payment must be made directly to the dealer by the governmental entity of a state, or any county, municipality, or political subdivision of a state. Purchases made by Federal employees on behalf of their agency are exempt even though the employee is subsequently reimbursed by the agency. Such governmental entities desiring to qualify for the exemption must obtain from the Department of Revenue a consumer's certificate of exemption (see Rules 12A-1.038 and 12A-1.039, F.A.C.). The exemption provided in this subsection shall be strictly defined, limited, and applied to each entity as provided herein.

(b) Sales of machines and equipment and parts and accessories therefor for generation, transmission, or distribution of electrical energy by systems owned and operated by a political subdivision or municipality in this state shall be subject to the tax except sales, rental, use, consumption, or storage for which bonds or revenue certificates are validated on or before January 1, 1973, for transmission or distribution expansion only. See s. 212.08(5)(c), F.S.

(c) Fire fighting and rescue service equipment and supplies purchased by volunteer fire departments, duly chartered under the Florida Statutes as corporations not for profit, are exempt.

(d) Vendors are required to document exempt sales. Federal employees, other government employees, and employees of nonprofit organizations described in subsection (3) of this rule shall provide the vendor with proper documentation of the exempt nature of the sale.

1. A suggested format of the document to be provided by Federal employees to their vendors is the following:

FEDERAL EMPLOYEE'S CERTIFICATE

DATE

SELLING DEALER'S NAME

SELLING DEALER'S ADDRESS

I, the undersigned, am an employee of the Federal agency identified below. The purchase or lease of tangible personal property or services or the rental of living accommodations on _____ (DATE[S]) from the business identified above is in pursuit of my employer's affairs. The Government of the United States either will pay the seller directly, or will provide reimbursement to the employee for the actual cost of the purchase or lease of tangible personal property, services, or

sleeping accommodations made on this date(s).

Under penalties of perjury, I declare that I have read the foregoing and that the facts stated in it are true.

SIGNATURE OF EMPLOYEE

NAME OF FEDERAL AGENCY

ADDRESS OF FEDERAL AGENCY

THIS CERTIFICATE MAY NOT BE USED TO MAKE EXEMPT PURCHASES OR LEASES OF TANGIBLE PERSONAL PROPERTY OR SERVICES OR RENTAL OF LIVING ACCOMMODATIONS FOR THE PERSONAL USE OF ANY INDIVIDUAL EMPLOYED BY A UNITED STATES GOVERNMENT AGENCY. PROPER IDENTIFICATION IS REQUIRED BEFORE THIS CERTIFICATE MAY BE ACCEPTED BY THE SELLER.

2. A suggested format of the document to be provided by other government employees or employees of nonprofit organizations to their vendors is the following:

EMPLOYER'S AUTHORIZATION TO MAKE
PURCHASES ON BEHALF OF AN EXEMPT
GOVERNMENTAL OR NONPROFIT
ORGANIZATION

DATE

TO:

SELLING DEALER'S NAME

SELLING DEALER'S ADDRESS

I, the undersigned, am a representative of the exempt governmental or nonprofit organization identified below. The purchase or lease of tangible personal property or services or the rental of living accommodations made on _____ (DATE[S]) from the business identified above is for use by the exempt governmental or nonprofit organization identified below.

The charges for the purchase or lease of tangible personal property or services or the rental of living accommodations from the dealer identified above will be billed to and paid directly by the exempt governmental or nonprofit organization.

Under penalties of perjury, I declare that I have read the foregoing and that the facts stated in it are true.

AUTHORIZED SIGNATURE ON
BEHALF OF EXEMPT ENTITY

NAME OF EXEMPT ENTITY

ADDRESS OF EXEMPT ENTITY

CONSUMER'S CERTIFICATE
OF EXEMPTION NUMBER

THIS CERTIFICATE MAY NOT BE USED TO MAKE PURCHASES OR LEASES OF TANGIBLE PERSONAL PROPERTY OR SERVICES OR RENTAL OF LIVING ACCOMMODATIONS FOR THE PERSONAL USE OF ANY INDIVIDUAL REPRESENTING THE EXEMPT ENTITY IDENTIFIED ABOVE.