



State of New Hampshire
Department of Revenue Administration

Stanley R. Arnold
Commissioner

March 1, 1999

Collection Division
Edward E. Dame, Jr.
Director
A.J. Tittmann
Assistant Director

ATTN ROSEMARIE DUNN CONTRACT SPECIALIST
GENERAL SERVICES ADMINISTRATION
FEDERAL SUPPLY SERVICE
WASHINGTON DC 20406

Dear Ms. Dunn:

This is in reply to your letter dated February 24, 1999 regarding the use of newly designed U.S. Government credit cards.

Enclosed is a copy of our administrative rule Rev 702.09 which grants and exemption from the meals and rooms tax to the U.S. Government when payment is made by either a check from the U.S. Treasury or a U.S. Government issued credit card.

I believe this will answer your question; however, please contact this office if you have further questions.

Sincerely,


E.E. Dame, Jr.
Director

Enclosure

Rev 702.09 State and Federal Government.

(a) When an instrumentality of the state of New Hampshire, a New Hampshire county or municipality, or the federal government enters into a contract with an operator to provide meals or rooms, such meals and rooms shall not be taxable if:

- (1) The charge is an ordinary and necessary expense of that governmental instrumentality and the activity does not generally constitute entertainment, amusement, or recreation;
- (2) The charge is incidental to the governmental instrumentality's statutorily authorized duties;
- (3) The operator is provided with a valid purchase order from the governmental instrumentality;
- (4) The charge is paid for with one of the following:
 - a. A check from the treasurer, state of New Hampshire;
 - b. A check from the U.S. Treasury;
 - c. A check from the New Hampshire county or municipality treasurer; or
 - d. A U.S. government or state of New Hampshire issued credit card in the employee's name; and
- (5) The charge is incurred by a customer possessing a valid diplomatic tax exemption card issued by the U.S. Department of State.

(b) Nothing herein shall be construed to grant an exemption to individuals even when they present certificates claiming exemptions, for any charges when such charges:

- (1) Are incurred outside of the individuals' capacity as agents for the governmental unit; or
- (2) Are paid for from a per diem allowance given to the individual by the governmental unit.

Source. #4061, eff 5-29-86; ss by #5399, eff 5-21-92; ss and moved by #6750, eff 5-19-98 (from Rev 702.07)