



State of Wisconsin • DEPARTMENT OF REVENUE

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Tommy G. Thompson
Governor

Cate Zeuske
Secretary of Revenue

July 29, 1999

Rebecca A. Koses
U.S. General Services Administration
Federal Supply Service
1941 Jefferson Davis Highway
Arlington, VA 22202-4502

Dear Ms. Koses:

Thank you for your letter dated December 10, 1998, which was faxed to me on July 13, 1999, regarding exemption from sales tax on purchases made with federal credit cards.

The United States Government implemented a new credit card program that replaced its purchase cards (I.M.P.A.C.), travel cards (American Express), and fleet cards (Wright Express) with one consolidated program. This new program is called GSA SmartPay and is effective for five years, with five 1-year options to renew (possible 10-year total contract period). Instead of a single provider of card-based services, the federal government has awarded multiple contracts. Cards will now be issued by Citibank, First National Bank of Chicago, Nations Bank, Mellon Bank, and U.S. Bank.

All cards issued will have unique prefixes and account numbers, government designed artwork, and wording that denotes the card is for use by the United States of America. SmartPay fleet card and purchase card sales are billed directly to the federal government. SmartPay travel card sales are either billed directly to the federal government or to a federal employee who will be reimbursed by the federal government.

You ask whether sales to the federal government, paid for with the GSA SmartPay card, will be exempt from Wisconsin sales or use tax. If exempt, you also ask whether documentation, in addition to presentation of the card, is required as proof that the sale is exempt from tax (e.g., exemption certificate).

Sales to the federal government, paid for with the GSA SmartPay card, are exempt from Wisconsin sales or use tax under secs. 77.54(1) and 77.55(1), Wis. Stats. (1997-98). However, retailers must obtain one of the following as proof that such sales are exempt from sales tax:

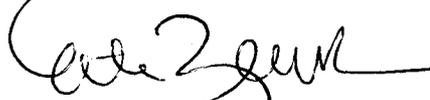
- A purchase order or similar written document identifying the governmental unit as the purchaser.
- An exemption certificate (Form S-211).
- Recording the federal governmental unit's Certificate of Exempt Status (CES) number on the invoice.

The enclosed tax release provides information regarding documentation for sales to government unit employees traveling on government business for which they are reimbursed.

I have also enclosed an application for a Certificate of Exempt Status. You had requested that the GSA be issued the number 4700. However, this number has already been issued to another organization. Please note that several federal agencies have applied for CES numbers independent of GSA.

I hope this information is helpful. If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Cate Zeuske", with a long horizontal flourish extending to the right.

Cate Zeuske
Secretary of Revenue

CZ: VLG

Enclosure

APPLICATION FOR WISCONSIN SALES AND USE TAX CERTIFICATE OF EXEMPT STATUS (CES)

Fill in all information requested below and send to the Wisconsin Department of Revenue. Retain a copy for your records.

FOR DEPARTMENT USE ONLY

1. Name of Organization <i>(Please print)</i>				Exemption Certificate #	
2. Business Address <i>(Number and Street or Rural Route)</i>				Date Issued	
City or Post Office		State	Zip Code	County	
3. Mailing Address <i>(if different from above)</i>		City	State	Zip Code	
4. Name of Contact Person					
5. Type of Organization <i>(Check One)</i> See instructions on reverse side for required documentation.					
<input type="checkbox"/> a. Religious <input type="checkbox"/> b. Educational <input type="checkbox"/> c. Scientific <input type="checkbox"/> d. Charitable <input type="checkbox"/> e. Youth <input type="checkbox"/> f. Prevention of cruelty to children or animals <input type="checkbox"/> g. United States Governmental Unit <input type="checkbox"/> h. Wisconsin Governmental Unit <i>(Check the box below that best describes your Wisconsin governmental unit)</i>					
<input type="checkbox"/> State of Wisconsin or any agency thereof <input type="checkbox"/> Wisconsin county, city, village, or town, including public inland lake protection and rehabilitation districts under secs. 33.21 to 33.23, Wis. Stats., municipal public housing authorities under secs. 66.395 and 66.40 Wis. Stats., and uptown business improvement districts under sec. 66.608, Wis. Stats. <input type="checkbox"/> Wisconsin public schools, school districts, universities, and technical college districts. <input type="checkbox"/> County-city hospital established under sec. 66.47, Wis. Stats. <input type="checkbox"/> Sewerage commission organized under sec. 281.43(4), Wis. Stats., metropolitan sewerage district organized under secs. 66.20 to 66.26 or 66.88 to 66.918, Wis. Stats., or joint local water authority under sec. 66.0735, Wis. Stats. <input type="checkbox"/> Local Exposition District or Local Professional Baseball Park District under ch. 229, Wis. Stats. <input type="checkbox"/> University of Wisconsin Hospitals and Clinics Authority					
6. Are donations to your organization deductible for Wisconsin and federal income tax purposes? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, please explain)</i>					
7. Do you make or intend to make any sales of property or services which are subject to the Wisconsin sales or use tax? <input type="checkbox"/> Yes <input type="checkbox"/> No If your answer is "YES", your organization may need to apply for a seller's permit <i>(see instructions for further details)</i> . Note: United States governmental units are not required to obtain a seller's permit.					
8. Do you hold a Wisconsin Seller's Permit for sales and use tax purposes? <input type="checkbox"/> Yes Permit # _____ <input type="checkbox"/> No					
9. Federal Employer Identification Number _____ - _____					

I declare under penalties of law that I have examined this information and to the best of my knowledge and belief, it is true, correct, and complete.

Signature		Title	Date
Print Name			Phone Number

PURPOSE OF THIS FORM

Sales to certain nonprofit organizations and governmental units described in 1 and 2 below are exempt from Wisconsin sales or use tax. So that retailers can identify these organizations that qualify for this exemption, the department issues the organization or governmental unit a Certificate of Exempt Status (CES) number. This application should be completed by the following to obtain a CES number:

1. Organizations, including youth organizations, organized and operated exclusively for religious, educational, scientific, or charitable purposes, or for the prevention of cruelty to children or animals.
2. Federal and Wisconsin governmental units. Governmental units of other countries and states or those representing Native Americans will not be issued a CES.

Examples of organizations that do not qualify for a CES number are civic organizations, chambers of commerce, business or union organizations, fraternal or recreational groups, professional societies, social clubs, or veteran organizations and their auxiliaries. Purchases made by these organizations will be subject to Wisconsin sales and use tax unless some other exemption applies.

GENERAL INSTRUCTIONS FOR COMPLETING THIS FORM

1. **Nonprofit Organizations:** Check the box in line 5 that best describes your organization.
2. **Governmental Units:** A CES number will be issued to the government unit level holding the Federal Employer Identification Number (FEIN) for the unit. In lieu of providing suppliers with a CES number, a Wisconsin Sales and Use Tax Exemption Certificate (Form S-211) or a purchase order identifying the governmental unit as purchaser may be provided.
3. **Required Documentation:** Organizations applying for a CES should submit copies of the following documentation along with their application:
 - a. Articles of incorporation or bylaws.
 - b. Statement of receipts (income) and disbursements (expenses) for their last accounting period.
 - c. Federal Internal Revenue Service (IRS) determination letter.

Governmental units are not required to furnish this documentation.

4. **Seller's Permit:** A nonprofit organization or Wisconsin governmental unit is required to charge Wisconsin sales tax on retail sales of tangible personal property or taxable services, unless the sales qualify as exempt occasional sales or are otherwise exempt.

A nonprofit organization or Wisconsin governmental unit shall meet all of the following standards for its sales to qualify as exempt occasional sales:

- a. The organization is not engaged in a trade or business.
- b. Entertainment is not involved for which an admission is charged.
- c. The organization does not have or is not required to have a Wisconsin seller's permit.

A nonprofit organization or Wisconsin governmental unit is not engaged in a business or trade if it meets **one** of the following:

- a. Its sales of otherwise taxable tangible personal property or services or its events occur on 20 days or less in a calendar year; or
- b. Its taxable gross receipts for the calendar year are \$15,000 or less.

Questions: Phone (608) 266-2776
FAX (608) 267-1030
E-MAIL: sales10@dor.state.wi.us
Website: <http://www.dor.state.wi.us>