OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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November 27, 2007

Re: LR-07-038
Tax exemption inquiry regarding the tax exempt status for a recruiter employed by the

Dea

Please accept my apology for any inconvenience our delay in responding may have caused you. You were inquiring about the exemption of a You had stated that the is requesting it because they are paying the bill for the and the account is in the name and you are asking if the account must be in the exempt entity name.

Our response:

You are correct in the understanding that an account must belong to the appropriate entity in order for the exemption to apply. It is acceptable to have both the names of the employee and the Federal agency on the account but it is only tax exempt, if it is the account (not the) and is paid directly by the

Pursuant to 710:65-13-130 Sales to government employees
Sales to individuals, who are employees of this State, its institutions and subdivisions, or of the United States government, are not exempt from tax unless the sale is billed directly to the appropriate government agency or the purchase is by means of properly completed government purchase order or credit card. Sales made on credit cards bearing an employee's name and the name of the government agency for which the employee works will qualify for exemption only if the card is issued to the Federal Government, rather than to the individual, and is paid directly by the Federal Government. The credit cards that currently meet these criteria are those issued through the GSA SmartPay card program:
(A) **Fleet cards.** All Federal Government **fleet cards** are centrally-billed. This means that all charges are billed directly to the Federal Government and paid directly by the Federal Government. Charges made using an authorized **fleet card** are therefore, exempt from the levy of Oklahoma sales tax. Authorized **fleet cards** must meet all the requirements set out in This paragraph:
(i) The **fleet card** prefix (first 4 digits) must be 8699 or 5568;
(ii) The **fleet card** platform must be Voyager or MasterCard; and
(iii) The Voyager **fleet card** must be issued by Citibank, NationsBank, or U.S.Bank; the MasterCard **fleet card** must be issued by Citibank, First National Bank of Chicago, NationsBank, or U.S.Bank.
(B) **Purchase cards.** All Federal Government **purchase cards** are centrally-billed. This

means that all charges are billed directly to the Federal Government and paid directly by the Federal Government. Charges made using an authorized **purchase card** are therefore, exempt from the levy of Oklahoma sales tax. Authorized **purchase cards** must meet all the requirement set out in this paragraph:
(i) The **purchase card** prefix (first 4 digits) must be 4486, 4716, or 5568;
(ii) The **purchase card** platform must be Visa or MasterCard; and
(iii) The Visa **purchase card** must be issued by Citibank, NationsBank, or U.S.Bank;
The MasterCard **purchase card** must be issued by Citibank, First National Bank of Chicago, NationsBank, Mellon Bank, or U.S.Bank.

It should also be noted if the is not a government employee:

710:65-13-131. Sales to U.S. government contractors; taxable and exempt transactions
Sales of tangible personal property to agents of the United States government are exempt from sales tax if ownership and possession of such property transfers immediately to the United States government. Sales to contractors who are improving real property for the United States government are not considered to be sales in which ownership transfers immediately to the United States government and are therefore taxable. [**See:** 68 O.S. §1356(1),(2),(3)]

This response applies only to the circumstances discussed in your written request of February 26, 2007. Pursuant to Commission Rule 710:1-3-73(e), this Letter ruling may be generally relied upon only by the entity to whom it is issued, assuming that all pertinent facts have been accurately and completely stated, and there has been no change in applicable law.

If you should have any questions, please feel free to contact me.

Sincerely,

Oklahoma Tax Commission

Marc Morrison

Marc Morrison
Tax Policy & Research Division