OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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June 24, 2010

RE: LR-10-107 (Sales Tax Inquiry)

Dear

I am writing this letter in response to your request regarding sales tax. Set forth verbatim are the facts presented along with the responses thereto.

From the 12th of May through the 18th of June, a total of 37 nights, I was in Oklahoma City on government orders. During my stay I resided at the Residence Inn in Oklahoma City. At check out I noticed I was charged sales tax for the duration of my stay. After questioning the hotel manager about the sales tax, he stated that I was not eligible for any type of exemption.

I am looking for some guidance. If a government employee on government orders pays the hotel bill with a government credit card should the government employee be charged sales tax? If the answer is no, I would like some reference material to tack back to that hotel.

Our Response:

The State of Oklahoma does not provide an exemption to sales tax for a governmental employee. However, a governmental worker who has been issued a centrally billed GSA SmartPay 2 credit card would be exempt from Oklahoma sales tax from his purchases, but individually billed SmartPay 2 cards are not exempt from Oklahoma Sales tax.

To determine if your SmartPay 2 credit card is centrally billed or individually billed, I have attached information from the U.S. General Services Administration for you to examine, if your card is centrally billed, then you may request a refund from the vendor or from the Oklahoma Tax Commission using form 13-9 on our website (www.OKTAX.STATE.OK.US) along with any billing statements and documentation indicating that your GSA SmartPay 2 card is centrally billed.

This response applies only to the circumstances discussed in your written request of June 22, 2010. 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.

Sincerely,

Oklahoma Tax Commission
Marc Morrison
Tax Policy & Research Division