Tax Exemption Offerings Form
GSA SmartPay® 2
www.gsa.gov/smartpay

I. STATE / JURISDICTION / U.S. TERRITORY INFORMATION

Please indicate the state / jurisdiction / U.S. territory for which you are reporting:

State / Jurisdiction / U.S. Territory:	New Mexico Taxation & Revenue Department

II. TAX EXEMPTION OFFERINGS

Please indicate which of the following tax exemptions your state / jurisdiction / U.S. territory provides to government customers with centrally billed accounts and/or individually billed accounts as described below. Please also use this section to provide a description of the applicable tax exemptions, pertinent statutes, regulations, court rulings, etc. that pertain to the type of tax exemption.

Centrally Billed Accounts (CBAs) are charge card accounts paid directly by the government to the issuing bank.
Individually Billed Accounts (IBAs) are charge card accounts paid directly by the cardholder to the issuing bank, but cardholders are reimbursed by the government, as official government expenses.

Tax Exemption Offerings (Please check all that apply)		Additional Information (Description, pertinent statutes, regulations, etc.)
Sales Tax	☒ Centrally Billed Accounts (CBAs)	New Mexico allows for the use of Government Credit or Procurement Cards under regulation 3.2.212.21 NMAC promulgated under Section 7-9-54 NMSA 1978 for the purchase of tangible personal property for the government. **They cannot be used to buy services.** Construction performed for a governmental agency is considered a service and is taxable under regulation 3.2.212.10 NMAC under Section 7-9-54 NMSA 1978. Construction materials would be taxable even if the materials are separately stated.
	☐ Individually Billed Accounts (IBAs) **This area is taxable; see note on right**	As stated in regulation 3.2.212.21 NMAC promulgated under Section 7-9-54 NMSA 1978, "Receipts from credit or procurement cards sales to employees or representatives of the federal government or the state of New Mexico using a credit or procurement card **other than a card issued to the United States government** or the state of New Mexico are not deductible from gross receipts under Section 7-9-54 NMSA 1978". If individuals use their personal credit card and are reimbursed by the federal government, the vendor making the sale could not deduct it from their gross receipts. Therefore, **the sale is taxable.**
Lodging Tax	☐ Centrally Billed Accounts (CBAs)	Administered by the municipalities and not the state; therefore, we cannot address the taxability issues.
	☐ Individually Billed Accounts (IBAs)	Administered by the municipalities and not the state; therefore, we cannot address the taxability issues.
Hotel Occupancy Tax	☐ Centrally Billed Accounts (CBAs)	Administered by the municipalities and not the state; therefore, we cannot address the taxability issues.
	☐ Individually Billed Accounts (IBAs)	Administered by the municipalities and not the state; therefore, we cannot address the taxability issues.
Public Accommodation Tax	☐ Centrally Billed Accounts (CBAs)	Administered by the municipalities and not the state; therefore, we cannot address the taxability issues.
	☐ Individually Billed Accounts (IBAs)	Administered by the municipalities and not the state; therefore, we cannot address the taxability issues.
Tourism Tax	☐ Centrally Billed Accounts (CBAs)	Administered by the municipalities and not the state; therefore, we cannot address the taxability issues.
	☐ Individually Billed Accounts (IBAs)	Administered by the municipalities and not the state; therefore, we cannot address the taxability issues.
Fleet Tax	☒ Gasoline ☒ Diesel Fuel ☒ Alternative Fuel	Gasoline – In computing the tax due, a fuel supplier can deduct gasoline sales to the federal government. Therefore, **the fuel supplier can sell tax free to the federal government.** The applicable statute is 7-13-4 (B) NMSA 1978. Diesel Fuel (Special Fuels) – In computing the tax due, a fuel supplier can deduct fuel sold to the federal government. Therefore, **the government can buy the diesel fuel tax free.** This is explained in Section 7-16A-10 NMSA 1978. Alternative Fuel – **can also be bought tax free** as explained in 7-16B-5 NMSA 1978.
	☒ Maintenance	Maintenance of fleet vehicles is considered a service and as explained in the sales tax area above, this would be **taxable**, however if the parts are separately stated on the invoice, then for governmental entities and 501(c)(3)s, the parts are treated as the sale of tangible personal property and not taxable.

III. TAX EXEMPTION FORMS

As indicated in GSA's letter, we request that the GSA SmartPay® 2 cards' design and structure suffice for tax exemption certification. If this is not possible, please indicate if your state / jurisdiction / U.S. territory requires government customers to complete any documentation in order to receive a tax exemption. Also, please indicate the website address for accessing any required forms; you may also provide the form via an email attachment.

	Tax Exempt Documentation	Website Address or Hyperlink:
1		
2		
3		

IV. TAX RECOVERY PROCEDURES

Please indicate the procedures that government customers should follow in the event that taxes are charged to official government transactions in error.

Tax Recovery Procedures:
If the federal government is charged tax incorrectly, the federal government would have to seek reimbursement from the vendor. The vendor would then have to apply for a refund of taxes paid to NM.

V. CONTACT INFORMATION

Please indicate the point-of-contact for follow-up questions related to your tax exemption policies.

Last Name, First Name:	Fergeson, David M.
Name of Agency:	New Mexico Taxation & Revenue Department
Office Address (Line 1):	P.O. Box 8485
Office Address (Line 2):	
City, State Zip:	Albuquerque, NM 87198
Phone Number:	(505) 841-6333
Fax Number:	(505) 841-6582
Email Address:	david.fergeson@state.nm.us

Thank you for your assistance in this important matter!

GSA SmartPay® 2 Card Numbering Systems

GSA SmartPay® 2 cards will be **effective on November 30, 2008** (except in a few cases, which will be effective earlier), and will have specific account number prefixes, as seen in the chart below. GSA SmartPay® 2 cards are provided by three banks: Citibank, JPMorgan Chase, and US Bank. The GSA SmartPay® program provides four business lines: Purchase, Travel, Fleet, and Integrated (includes fleet, travel and/or purchase functionality and offers a single card for all purchases). These cards/accounts can be Centrally Billed Accounts (CBAs) or Individually Billed Accounts (IBAs). Below is a detailed description of each card type and numbering system that GSA Smartpay® 2 provides.

Centrally Billed Accounts (CBAs) are charge card accounts in which **all** charges are billed directly to the federal government and paid directly by the federal government to the issuing bank.

- **Purchase:** All federal government Purchase cards are centrally billed.
- **Fleet:** All federal government Fleet cards are centrally billed.
- **Travel:** Federal government Travel cards/accounts may be centrally billed **or** individually billed.
- **Integrated:**
  - All Fleet and Purchase type transactions on an integrated card are centrally billed.
  - Travel functionality on an integrated card may be centrally billed **or** individually billed.

Individually Billed Accounts (IBAs) are charge card accounts in which charges are paid directly by the cardholder/federal employee to the issuing bank; the federal employee is then reimbursed by the government.

- **Travel:** Federal government Travel cards may be centrally billed **or** individually billed.
- **Integrated:** Travel functionality on an Integrated card may be centrally billed **or** individually billed.

	Purchase	Travel		Fleet	Debit/Prepaid
Prefix (1st four digits)	5568 – MasterCard 5565 – MasterCard 4716 – Visa 4614 – Visa 4486 – Visa	5568 – MasterCard 5565 – MasterCard 4486 – Visa 4614 – Visa		5565 – MasterCard 5568 – MasterCard 8699 – Voyager	5564 – MasterCard 5568 – MasterCard 5565 – MasterCard 4614 – Visa
6th digit	N/A	0	CBA	N/A	N/A
		1	IBA		
		2 – 4	IBA		
		5	Reserved		
		6 – 9	CBA		

In addition to the chart provided above, please note the following information:

- **Only the Travel card** uses the 6th digit to identify whether the account is a Centrally Billed Account (CBA) or an Individually Billed Account (IBA).
- **The numbering structure for Integrated Cards** to differentiate between centrally and/or individually billed transactions will be specific to each agency/organization using the Integrated card. This information will be provided on the GSA SmartPay® website (www.gsa.gov/gsasmartpay) as it becomes available.