



301 Gervais Street, P.O. Box 125, Columbia, South Carolina 29214

SC INFORMATION LETTER #94-6 (TAX)

SUBJECT: Federal Credit Card Program
(Sales Tax)

DATE: March 1, 1994

SUPERSEDES: SC Information Letter #91-11

REFERENCE: S. C. Code Ann. Section 12-36-2120(2) (Supp. 1993)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (Supp. 1993)
SC Revenue Procedure #93-6

SCOPE: An Information Letter is a document issued for the purpose of disseminating general information or information concerning an administrative pronouncement.

Information Letters issued to disseminate general information have no precedential value and do not represent the official position of the Department. Information Letters designated as administrative pronouncements do represent the official position of the Department.

The Federal Government provides employees with credit cards to facilitate employee travel and routine government purchases. One card widely used in the past was the Diners's Club card. Employees using the Diner's Club card were billed directly by the credit card company and were personally responsible for remitting all payments. Accordingly, all purchases by federal employees with a Diner's Club card were subject to South Carolina sales tax.

AMERICAN EXPRESS CARD

On December 1, 1993, the federal government replaced the Diner's Club card with an American Express card. The card contains the employee's name and "For Official Use Only". The cards will be issued with account numbers beginning with "3783-7", "3783-8" and "3783-9".

Purchases made with the American Express card that begins with "3783-9" will be paid for directly by the federal government and, therefore, are exempt from South Carolina sales tax pursuant to Code Section 12-36-2120(2).

Purchases made with the American Express card that begins with "3783-7" and "3783-8" will be billed to and paid for by the individuals using the cards, and, therefore, are subject to South Carolina sales tax.

I.M.P.A C. VISA CARD

A second type of government issued card, I.M.P.A.C. - International Merchant Purchase Authorization Card, is used to facilitate routine material and equipment purchases for the federal government directly. The I.M.P.A.C. Visa Card is issued by the Rocky Mountain BankCard System, Inc. All card numbers begin with "4716" and have "United States of America, I.M.P.A.C., For Official Use Only" printed on the top. An employees name and the expiration date are embossed on the front along with "U.S. Government Tax Exempt".

All purchases with the I.M.P.A.C. Visa card will be paid for directly by the federal government. As a result, purchases made with the I.M.P.A.C. Visa card are exempt from South Carolina sales tax pursuant to Code Section 12-36-2120(2). This sales tax exemption extends to purchases of work related food, travel and lodging with the I.M.P.A.C. Visa card.

For questions concerning the Federal credit card program, please contact Deana West at 803-737-4439.