



CITY OF PORTLAND
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Government Exemption Policy

Portland City Code Section 6.04.050 E states no tax shall be imposed upon:

Any Federal Government employee travelling on official government business, who presents an official Government Exemption Certificate or official travel authorization.

“Federal Government employee” is defined as:

An employee of a federal governmental department, agency or instrumentality. Most federal agencies are well known such as the IRS, FDA, US Forest Service, Bureau of Indian Affairs (including Indian Health Service employees) and others. However, federal instrumentalities or entities granted specific exemption from local tax under federal law include the Red Cross, Amtrak and Federal Credit Unions. Employees of the Red Cross, Amtrak and Federal Credit Unions are granted the exemption because federal law grants such exemption or because the U.S. Congress has deemed them federal instrumentalities.

(Note: Tax exemption cards issued by the State Department may grant exemption from hotel tax-- as stated on the tax exemption card. The Bureau of Licenses accepts such exemptions as valid.)

“Federal Government employee” is not defined as:

An employee of a state, county, municipal or tribal government. There is no exemption under the Transient Lodgings Tax Law for such employees. Additionally, no exemption may be granted federal contractors, as they are not employees of the federal government.

“...official Government Exemption Certificate or official travel authorization” shall include:

Federal agency exemption certificates, federal agency letterhead requests for exemption (stating dates of stay and stating that the stay is for official government purposes), City of Portland Federal Exemption Certificate (available at <http://www.pdxbl.org>) and official travel orders issued by a federal agency.

Direct Bills and Constitutional Supremacy

The Comptroller General of the United States has ruled that direct payments made by the federal government to an entity to directly purchase goods or services may be tax exempt. The Comptroller General has also ruled consistently that indirect payments (including use of the federal American Express credit card or other reimbursed payments) are not tax exempt. Therefore, the Revenue Bureau will allow exemption for direct bills where the federal government is the direct orderer of such services and the federal government is the direct payer of such services. No exemption will be allowed for indirect payments (such as payments to an intervening contractor who brokers services under federal contract) unless made directly by the actual federal employee to a hotel.

8/12/02

Date

signed by Terri Williams

Transient Lodgings Program Manager

Adopted 7/24/02
Revised 8/02