



## Department of Business License

JACQUELINE R. HOLLOWAY  
DIRECTOR

500 SOUTH GRAND CENTRAL PKY, 3<sup>RD</sup> FLOOR  
BOX 551810

LAS VEGAS, NEVADA 89155-1810

(702) 455-4252

(800) 328-4813

FAX (702) 386-2168

[http://www.clarkcountynv.gov/business\\_license](http://www.clarkcountynv.gov/business_license)

January 28, 2020

### TRANSIENT LODGING TAX - GOVERNMENT EXEMPTIONS

#### ATTN: CONTROLLER

The purpose of this letter is to update guidance prescribed in the most recently issued guidance letter, dated May 17, 2019. The updated guidance is contained in the attached **Summary of Documentation Requirements for Transient Lodging Tax Exemptions matrix (dated January 28, 2020)** and includes: 1) updated credit card numbers for American Red Cross exemption, and 2) inclusion of the Neighborhood Reinvestment Corporation dba NeighborWorks® America as an entity that is exempt from the combined transient lodging tax in Clark County.

**Clark County Code Requirements** – Government exemption requirements are codified under CCC 4.08.050 (see highlighted sections).

#### **4.08.050 Exemptions.**

No combined transient lodging tax shall be imposed under the provisions of this chapter upon:

(a) Rent received for an apartment, licensed as an apartment house under Section 6.12.090 of this code, wherein the renter has entered into a written lease with a rental period greater than thirty days. However, in the absence of a written lease with a rental period greater than thirty days rent received for apartments rented for thirty days or less shall be subject to the combined transient lodging tax.

(b) Rent received from permanent residents.

**(c) Rent paid directly by the following exempt organizations: United States, state of Nevada, federally chartered credit unions, and the American Red Cross. This exemption does not extend to rent paid by an individual who receives a cash advance from, or is to be later reimbursed by, the exempt organization.**

**(d) Rent paid by foreign diplomats properly registered with the United States State Department.**

(e) Complimentary rooms wherein there is no rent paid to the operator in conjunction with the occupancy.

(f) The cost of or rent paid for a room in a transient lodging establishment that is not used for sleeping, such as a meeting room. (Ord. 3656 § 13, 2008: Ord. 2303 § 2 (part), 1999)

### **General Guidance on Government Exemptions**

Only exempt organizations specifically listed in the attached **Summary of Documentation Requirements for Transient Lodging Tax Exemptions matrix (dated January 28, 2020)** are eligible for transient lodging tax exemptions pursuant to CCC 4.08.050 (c ) & (d). In order to obtain the exemption, the exempt organization must meet the direct payment requirements identified in the matrix.

In summary, the direct payment requirement is met when payment is made directly by an exempt organization pursuant to direct billing.

Furthermore, personal payment (i.e. cash, personal check, or personal credit card) by an employee is *not* exempt regardless of whether the employee has an exemption certificate, travel order, cash advance, or is subsequently reimbursed by the government agency/instrumentality for lodging cost.

### **Supporting Documentation**

For audit purposes, specifically, the operator must maintain settlement folios and *system records (electronic or paper) showing the required “payment” credit card numbers and/or other corroborating documentation* listed on the Summary of Documentation Requirements for Transient Lodging Tax Exemptions matrix. In general supporting records must comply with CCC 4.08.085 - Records kept by operator.

Examples of acceptable system records are: electronic or paper guest settlement information, the original or a copy of “merchant receipt”, or electronic evidence of direct pay credit card number. Note that credit card records prepared separately from the sales transactions (e.g. manually prepared worksheets) are *not* acceptable for audit purposes

**U.S. Government and U.S. Armed Forces -Use of United States Government Credit Cards and Documentation Requirements (except AAFES and MCCS) – See the Summary of Documentation Requirements for Transient Lodging Tax Exemptions matrix for specific guidance relating to exempt credit card numbers)**

Clark County recognizes transient lodging tax exemptions on those credit card purchases that are billed directly to the United States government. Lodging purchases made with the following United States government credit cards are exempt:

- Start with 4486 and the sixth digit is 0, 5, 6, 7, 8 or 9
- Start with 4614 and the sixth digit is 0, 6, 7, 8 or 9
- Start with 4615 and the sixth digit is 5
- Start with 4716 and the sixth digit is 0, 5, 6, 7, 8 or 9
- Start with 5565 and the sixth digit is 0, 5, 6, 7, 8 or 9
- Start with 5568 and the sixth digit is 0, 5, 6, 7, 8, or 9

Credit Card Number Sequence:						
#1	#2	#3	#4	#5	#6	#7-#16
4	4	8	6	X	0, 5, 6, 7, 8 or 9	XX XXXX XXXX
4	6	1	4	X	0, 6, 7, 8 or 9	XX XXXX XXXX
4	6	1	5	X	5	XX XXXX XXXX
4	7	1	6	X	0, 5, 6, 7, 8 or 9	XX XXXX XXXX
5	5	6	5	X	0, 5, 6, 7, 8 or 9	XX XXXX XXXX
5	5	6	8	X	0, 5, 6, 7, 8 or 9	XX XXXX XXXX

**Card Designs**



\* Card design numbers are fictitious - refer to the above schedule for exempt credit card numbers

Currently, the following types of United States government credit cards are used:

**Centrally Billed** – Credit card purchases are billed directly to and paid directly by the United States government. Centrally billed credit cards utilize the account numbers listed in the above Credit Card Number Sequence schedule. **Purchases made with this type of card are exempt.**

**Individually Billed** – Credit card purchases are billed directly to and paid directly by the United States government employee. The credit card account numbers begin with 4486, 4614, 5565 or 5568 the sixth digit in the account number is 1, 2, 3 or 4. **Purchases with individually billed credit cards are not exempt regardless of whether the employee has a federal exemption certificate, travel orders or is subsequently reimbursed by the United States government.**

**Tax Advantage Travel Account** – All lodging purchases on a “Tax Advantage” Travel Account credit card are centrally billed, and therefore paid directly by the United States government. **Purchases of transient lodging made with this type of card are exempt.** The credit card account numbers begin with 4486, 4615, 4716, 5565, or 5568 and the sixth digit in the account number is 5.

The above credit card information was obtained from the United States General Services Administration (GSA) and represents the most current information available.

Furthermore, additional information on federal tax exemptions can be found at the following GSA websites:

<https://www.smartpay.gsa.gov/content/about-gsa-smartpay#sa372>  
<https://smartpay.gsa.gov/content/state-tax-information>

Transient lodging tax exemptions are only given for purchases that meet the above criteria. Certain government employees may carry “generic credit cards” which for security reasons do not utilize the government numbering sequence. Purchases made with this type of credit card or any other type of credit card that does not specifically meet the above criteria are **NOT** exempt from transient lodging tax.

**University of Nevada, Las Vegas (UNLV) Purchase Cards** – These credit card purchases are billed to, and paid directly by, the University of Nevada, Las Vegas as part of the Nevada System of Higher Education. **Purchases made with these cards are exempt from transient lodging tax.**

### Card Design



\* Card design name and numbers are fictitious

### Federal Credit Union – Documentation Requirements

**Direct payment by federal credit union** - The preferred method of payment by a federal credit union for transient lodging tax exemption is a “direct payment” from the federal credit union to the transient lodging establishment. In which case, guest’s settlement folio (showing lodging cost and payment method) **and** a copy of evidence of direct payment (e.g. wire transfer, corporate check, and charges to corporate master credit account) will be required for audit purposes.

**Federal credit union credit card issued in an individual's name** - For transient lodging payments made with federal credit union credit cards in an individual's name, the Department-issued form titled "**TRANSIENT LODGING TAX EXEMPTION FORM FOR FEDERAL CREDIT UNION**" should be properly completed by a federal credit union manager and maintained by hotel operator, along with a copy of settlement folio. The form can be obtained via the Department's website at:

[http://www.clarkcountynv.gov/Depts/business\\_license/Pages/GovernmentExemptions.aspx](http://www.clarkcountynv.gov/Depts/business_license/Pages/GovernmentExemptions.aspx)

**Others:** Other methods of payment for lodging costs by room guests such as cash, personal checks, personal credit cards, and wire transfers from personal accounts do NOT qualify as "direct payment" by federal credit unions. Thus, *no exemption is allowed*.

Industry letters, guidance, and documentation on transient lodging tax exemptions are also available on our website at:

[http://www.clarkcountynv.gov/Depts/business\\_license/Pages/TransientLodgingGuidance.aspx](http://www.clarkcountynv.gov/Depts/business_license/Pages/TransientLodgingGuidance.aspx)

If you have any questions, please contact us at (702) 455-6121 or e-mail [BLAuditInfo@ClarkCountyNV.gov](mailto:BLAuditInfo@ClarkCountyNV.gov).

Sincerely,



Alan Bacon  
Assistant Finance Manager

Attachments:

**Summary of Documentation Requirements for Transient Lodging Tax Exemptions  
(Dated January 28, 2020)**

1/28/20

**SUMMARY OF DOCUMENTATION REQUIREMENTS  
FOR TRANSIENT LODGING TAX EXEMPTIONS**

Department of Business License  
500 South Grand Central Pky.  
3<sup>RD</sup> Floor  
P.O. Box 551810  
Las Vegas, Nevada 89155-1810

**Contact: Audit Information Line (702) 455-6121 Email: [BLAuditInfo@ClarkCountyNV.gov](mailto:BLAuditInfo@ClarkCountyNV.gov)**

**Website - <http://www.clarkcountynv.gov/business-license/audit/Pages/TransientLodgingTaxExemptGuidance.aspx>**

<p>Clark County Code section 4.08.050 states that transient lodging exemptions will be given for rent paid directly by the United States, State of Nevada, federally chartered credit unions, the American Red Cross, and foreign diplomats properly registered with the United States.</p> <p>Based on the above code requirements, a purchase of lodgings by a federal, state of Nevada or federally chartered credit unions employee traveling on official business is exempt from tax only when payment is made directly by the government agency/instrumentality pursuant to direct billing. Personal payment of transient lodging by an employee is not exempt regardless of whether the employee has an exemption certificate, travel orders, cash advance, or is subsequently reimbursed by the government agency/instrumentality.</p>		
Type of Exemption	Payment Type	Documentation Required
<b>United States Government, U.S. Military, and Foreign Military (i.e. Joint Training, Red Flag)</b>	<b>A Federal Government credit card in individual's name must meet the following criteria to qualify for an exemption:</b>  Start with 4486 and the sixth digit is 0, 5, 6, 7, 8 or 9 Start with 4614 and the sixth digit is 0, 6, 7, 8 or 9 Start with 4615 and the sixth digit is 5 Start with 4716 and the sixth digit is 0, 5, 6, 7, 8 or 9 Start with 5565 and the sixth digit is 0, 5, 6, 7, 8 or 9 Start with 5568 and the sixth digit is 0, 5, 6, 7, 8 or 9	1. Settlement folio showing lodging cost and payment method; and 2. System record generated directly from the sales transaction showing the "payment" credit card number. Examples are: Electronic or paper system guest settlement folio or "merchant receipt".  Additional information on federal tax exemptions can be found at the following GSA websites: <a href="https://www.smartpay.gsa.gov/content/about-gsa-smartpay#sa372">https://www.smartpay.gsa.gov/content/about-gsa-smartpay#sa372</a> <a href="https://smartpay.gsa.gov/content/state-tax-information">https://smartpay.gsa.gov/content/state-tax-information</a>
	<b>Direct payment made by federal agency/instrumentality</b>	1. Settlement folio showing lodging cost and payment method; and 2. Documentation showing the direct payment by the U.S. or foreign government (e.g. copy of payment check or wire transfer information).
<b>Army &amp; Air Force Exchange Service (AAFES)</b>	<b>AAFES credit card in individual's name must meet the following criteria to qualify for an exemption:</b>  Start with 5405 and the fifth and sixth digits are 10	1. Settlement folio showing lodging cost and payment method; and 2. System record generated directly from the sales transaction showing the "payment" credit card number. Examples are: Electronic or paper system guest settlement folio or "merchant receipt".
<b>Marine Corps Community Services (MCCS)</b>	<b>MCCS credit card in individual's name must meet the following criteria to qualify for an exemption:</b>  Start with 4485 and the fifth and sixth digits are 17	1. Settlement folio showing lodging cost and payment method; and 2. System record generated directly from the sales transaction showing the "payment" credit card number. Examples are: Electronic or paper system guest settlement folio or "merchant receipt".
<b>State of Nevada</b>	<b>Direct payment made by State of Nevada</b>	1. Settlement folio showing lodging cost and payment method; and 2. Documentation showing the direct payment by State of Nevada
<b>University of Nevada Las Vegas (UNLV)</b>	<b>UNLV credit card in individual's name</b>	1. Settlement folio showing lodging cost and payment method; and 2. System record generated directly from the sales transaction showing the "payment" credit card number. Examples are: Electronic or paper system guest settlement folio or "merchant receipt".
<b>Federal Credit Union</b>	<b>A federal credit union credit card in individual's name</b>	1. Settlement folio showing lodging cost and payment method; and 2. "TRANSIENT LODGING TAX EXEMPTION FORM" that can be obtained at- <a href="http://www.clarkcountynv.gov/Depts/business_license/Pages/GovernmentExemptions.aspx">http://www.clarkcountynv.gov/Depts/business_license/Pages/GovernmentExemptions.aspx</a> properly completed by management personnel of the federal credit union.
	<b>Direct payment made by the federal credit union</b>	1. Settlement folio showing lodging cost and payment method; and 2. Documentation showing the direct payment by the federal credit union
<b>Foreign Diplomats, Consular Officers, and Staff Members</b>	(No specific requirement)	1. Settlement folio showing lodging cost; and 2. Copy of Diplomat Tax Exemption Card (personal/mission).

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FOR TRANSIENT LODGING TAX EXEMPTIONS**

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P.O. Box 551810  
Las Vegas, Nevada 89155-1810

**Contact:** Audit Information Line (702) 455-6121 **Email:** BLAuditInfo@ClarkCountyNV.gov

**Website -** <http://www.clarkcountynv.gov/business-license/audit/Pages/TransientLodgingTaxExemptGuidance.aspx>

Type of Exemption (Cont.)	Payment Type	Documentation Required
Freddie Mac (Federal Home Loan Mortgage Corporation)	Freddie Mac issued VISA credit card with “Purchasing” identified on face of credit card  Direct payment made by Freddie Mac	1. Settlement folio showing lodging cost and payment method; and 2. Documentation showing the direct payment by Freddie Mac Since a copy of the credit card cannot be made or maintained, the Department will accept the notation “ <i>Freddie Mac purchasing credit card used for payment</i> ” on the guest settlement folio as evidence of direct pay.
American Red Cross	American Red Cross credit card in individual’s name must meet the following criteria to qualify for an exemption:  Start with 4489 and the sixth digit is 5 Start with 4865 and the sixth digit is 9	1. Settlement folio showing lodging cost and payment method; and 2. System record generated directly from the sales transaction showing the “payment” credit card number. Examples are: Electronic or paper system guest settlement of folio or “merchant receipt.”
	Direct payment made by American Red Cross	1. Settlement folio showing lodging cost and payment method; and 2. Documentation showing the direct payment by the American Red Cross (e.g. copy of payment check or wire transfer information).
AMTRAK	Direct payment made by AMTRAK	1. Settlement folio showing lodging cost and payment method; and 2. Documentation showing the direct payment by AMTRAK (e.g. copy of payment check or wire transfer information).
Neighborhood Reinvestment Corporation dba NeighborWorks® America	Direct payment made by NeighborWorks® America	1. Settlement folio showing lodging cost and payment method; and 2. Documentation showing the direct payment by NeighborWorks® America (e.g. copy of payment check or wire transfer information).

**Additional Guidance**

**United States Government SmartPay Credit Card Card Designs**



Additional information on federal tax exemptions can be found at the following GSA websites:

<https://www.smartpay.gsa.gov/content/about-gsa-smartpay#sa372>

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**Organizations that are NOT Exempt**

- Non Profits
- Local governments
- State governments other than the State of Nevada
- Credit Unions that are *not* federally chartered
- Government contractors- See Guidance Letters for “Government Contractors” and “National Railroad Passenger Corporation” at <http://www.clarkcountynv.gov/business-license/audit/Pages/TransientLodgingTaxExemptGuidance.aspx>
- Tribal governments- See Guidance Letter – “Tribal Government and Individual Tribal Members, Dated September 27, 2006” at <http://www.clarkcountynv.gov/business-license/Pages/GovernmentExemptions.aspx>

**Foreign Diplomats, Consular Officers and Staff Members**

Diplomat tax exemption cards are non-transferable; only the person whose photograph appears on the card may use it.

Documentation on government exemptions is also available on our website at [http://www.clarkcountynv.gov/Depts/business\\_license/Pages/TransientLodgingGuidance.aspx](http://www.clarkcountynv.gov/Depts/business_license/Pages/TransientLodgingGuidance.aspx)