



DEPARTMENT OF VETERANS AFFAIRS
Medical Center
4150 Clement Street
San Francisco CA 94121

In Reply Refer To: 662 / 04

To Whom It May Concern:

Under the laws cited below, the U.S. Government is exempt from all state and local taxes.

- 1. California Law Section 6381; and**
- 2. Federal Acquisition Regulation (FAR) 29.202 (26 U.S.C. 4041 and 4221)**

Our tax identification number is 941160824.

State of California

BOARD OF EQUALIZATION

SALES AND USE TAX REGULATIONS

Regulation 1614 SALES TO THE UNITED STATES AND ITS INSTRUMENTALITIES

References Sections 6381 6381.5 Revenue and Taxation Code

Construction contractors generally, see Regulation 1521

For Banks generally see Regulation 1567

Leases and rentals in general see Regulation 1660

motion pictures produced for United States Government see Regulation 1529.

(a) GENERALLY Sales tax does not apply to sales to:

(1) The United States or its unincorporated agencies and instrumentality's.

(2) Any incorporated agency or instrumentality of the United States wholly owned by the United States.

(3) The American National Red Cross, its chapters and branches

(4) Incorporated Federal instrumentality's not wholly owned by the United States, unless Federal law permits taxing the instrumentality. Examples of incorporated Federal instrumentality's exempt from tax are Federal Reserve Banks, Federal Credit Unions, Federal Land Banks, and Federal Home Loan Banks.


Application of the use tax to the storage, use, or other consumption of tangible personal property by agencies or instrumentality's of the United States is prohibited unless Federal law permits taxing the agency or instrumentality.

Where payment for tangible personal property sold or consumed in this state is made partly by the United States or its instrumentality's and partly by nonexempt persons, the payment is exempt to the extent of the United States' or its instrumentality's share provided it is made directly to the vendor by the United States or its instrumentality. If the nonexempt party makes full payment and then seeks reimbursement from the United States or its instrumentality, the entire amount is taxable even though the United States or its instrumentality may reimburse him in full or in part.

(b) ARMY AND AIR FORCE EXCHANGE SERVICES, NAVY EXCHANGES, COAST GUARD EXCHANGES, OPEN MESSES, AND OFFICERS' MESSES. Army and Air Force exchange services, Navy exchanges, Coast Guard exchanges, Open Messes, and Officers' Messes, established pursuant to regulations of the appropriate branch of the Armed Services are instrumentalities of the United States, and tax does not apply to sales to these organizations.

Tax applies to sales to persons in the Armed Services of the United States, notwithstanding the circumstance that the merchandise may be billed through any Army or Air Force exchange service, Navy exchange, Coast Guard exchange, or similar organization.

- (c) COMPANY AND OTHER UNIT FUNDS. Tax does not apply to sales to the Armed Services of merchandise purchases with unit and similar funds (company, troop, hospital, recreation, welfare, etc.) where the expenditures are made in accordance with appropriate regulations of the Armed Services for the general benefit of Armed Services personnel.


Brian J. Kelly
Chief Fiscal Operations 