

**Class Deviation for Federal Acquisition Regulation Part 29 in accordance with Executive Order 14275, “Restoring Common Sense to the Federal Procurement”
(2026-0026)**

1. Purpose: To issue a class deviation to Federal Acquisition Regulation (FAR) Part 29 for purposes of implementing the FAR Council’s model deviation text to FAR Part 29.

2. Effective Date: Immediately.

3. Expiration Date: Expires when the FAR Council’s model deviation text to FAR Part 29 is incorporated into the FAR or this class deviation is otherwise rescinded.

4. Background: On April 15, 2025, the [Executive Order \(EO\) 14275, Restoring Common Sense to Federal Procurement](#), was signed. Section 2 of the EO establishes the policy that the FAR “should only contain provisions required by statute or essential to sound procurement, and any FAR provisions that do not advance these objectives should be removed.”

The FAR is being updated to:

- Remove language that is not required by statute
- Remove duplicative or outdated language
- Clarify or provide more plain language
- Revise language for the new FAR framework
- Retain language necessary for governmentwide acquisition standards.

This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative.

5. Summary of Changes: FAR Part 29, *Taxes*, has been updated to be more direct, active, and accessible. The main objective was to rewrite the complex tax requirements in plain language, leading to an approximate 20% reduction in word count.

Statutory requirements and presidential directives retained in the RFO FAR Part 29 model deviation include, but are not limited to, the following:

- 26 U.S.C. § 4041, Imposition of tax
- 26 U.S.C. § 4053, Exemptions
- 26 U.S.C. § 4064, Gas guzzler tax
- 26 U.S.C. § 4221, Certain tax-free sales
- 26 U.S.C. § 4293 and § 4483, Tax exemptions
- 26 U.S.C. § 5000C, Imposition of tax on certain foreign procurement
- 10 U.S.C. § 402, Transportation of humanitarian relief supplies to foreign countries
- 10 U.S.C. § 404, Foreign disaster assistance
- 10 U.S.C. § 2557, Domestic emergency assistance
- 10 U.S.C. § 2561, Humanitarian assistance

Change	Description
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Retained	• Revisions made to the “Scope of Part” at 29.000 are minor plain language adjustments. The substantive scope of the part remains. • Subpart 29.1 - Guidance for resolving tax problems is retained at 29.101; however, contracting officers are now required to request assistance from assigned legal counsel when tax issues arise. It was previously encouraged, but not required, to do so. • Subpart 29.2 - Federal Excise Taxes is retained; however contracting officers are now required to request offers on a tax-exclusive basis when the law exempts the Government from federal excise taxes, unless inappropriate for the circumstances. It was previously encouraged, but not required, to do so. • Subpart 29.3 - The language governing application of State and Local Taxes has been logically reorganized and renumbered. This restructuring improves the flow of information, making the subpart more intuitive for users. For instance, the specific rules for the North Carolina Sales and Use Tax Act, previously located in a sub-paragraph, have been elevated to a standalone section, increasing their visibility and usability. • Clauses and provisions retained with plain language adjustments include: ○ 52.229-1, State and Local Taxes ○ 52.229-2, North Carolina State and Local Sales and Use Tax ○ 52.229-3, Federal, State, and Local Taxes ○ 52.229-4, Federal, State, and Local Taxes (State and Local Adjustments) ○ 52.229-5, Remains “Reserved” ○ 52.229-6, Taxes – Foreign Fixed-Price Contracts ○ 52.229-7, Taxes – Foreign Fixed-Price Contracts with Foreign Governments ○ 52.229-8, Taxes – Foreign Cost-Reimbursement Contracts ○ 52.229-9, Taxes – Cost-Reimbursement Contracts with Foreign Governments ○ 52.229-10, State of New Mexico Gross Receipts and Compensating Tax ○ 52.229-11, Tax on Certain Foreign Procurements – Notice and Representation ○ 52.229-12, Tax on Certain Foreign Procurements
Removed	• Definitions of North Atlantic Treaty Organization (NATO) Forces, and U.S. Forces in Afghanistan have been removed. • Information in Section 29.304, Matters requiring special consideration has been removed or relocated, as appropriate. • Subsection 29.402-4, prescribing tax requirements for foreign contracts in Afghanistan has been removed in its entirety, along with the following clauses prescribed in that section: ○ 52.229-13, Taxes – Foreign Contracts in Afghanistan ○ 52.229-14, Taxes – Foreign Contracts in Afghanistan (North Atlantic Treaty Organization Status of Forces Agreement)

The preceding table is not an exhaustive list.

6. Required Action: The CFPB acquisition workforce shall follow the RFO Part 29 model deviation text instead of FAR Part 29 as codified at 48 CFR Chapter 1. The Council's RFO Part 29 model deviation text is available at [Acquisition.gov/far-overhaul](https://www.acquisition.gov/far-overhaul) and is incorporated into this class deviation.

When using any provisions or clauses that have been revised, utilize the RFO model deviation language at RFO FAR part 52. Do not include any of the removed provisions or clauses in future solicitations and contracts.

For open solicitations or awarded contracts, the contracting officer has discretion regarding the need to enforce or amend the provisions or clauses. Note that without some of the removed provisions or clauses, the contracting officer may be required to separately address certain aspects in the contract.

Contracting activities must review templates and related standard operating procedures to align with this deviation and remove unnecessary processes and steps.

7. Applicability: This class deviation applies to all CFPB procurements.

8. Authority: This deviation is issued under the authority of Executive Order 14275, OMB Memo M-25-26, 48 CFR 1.4 and RFO FAR 1.304.

9. Point of Contact: If you have any questions, please contact Vanessa del Toro at vanessa.deltoro@cfpb.gov.

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