

## 29.305 State and local tax exemptions.

(a) *Evidence of exemption.* Evidence needed to establish exemption from State or local taxes depends on the grounds for the exemption claimed, the parties to the transaction, and the requirements of the taxing jurisdiction. Such evidence *may* include the following:

(1) A copy of the contract or relevant portion.

(2) Copies of *purchase orders*, shipping documents, credit-card-imprinted sales slips, paid or acknowledged *invoices*, or similar documents that identify an agency or instrumentality of the *United States* as the buyer.

(3) A U.S. Tax Exemption Form ([SF 1094](#)).

(4) A State or local form indicating that the *supplies* or services are for the exclusive use of the *United States*.

(5) Any other State or locally required document for establishing general or specific exemption.

(6) Shipping documents indicating that *shipments* are in interstate or foreign commerce.

(b) *Furnishing proof of exemption.* If a reasonable basis to sustain a claimed exemption exists, the seller will be furnished evidence of exemption, as follows:

(1) Under a contract containing the clause at [52.229-3](#), Federal, State, and Local Taxes, or at [52.229-4](#), Federal, State, and Local Taxes (State and Local Adjustments), in accordance with the terms of those clauses.

(2) Under a cost-reimbursement contract, if requested by the contractor and approved by the *contracting officer* or at the discretion of the *contracting officer*.

(3) Under a contract or *purchase order* that contains no tax provision, if-

(i) Requested by the contractor and approved by the *contracting officer* or at the discretion of the *contracting officer*; and

(ii) Either the contract price does not include the tax or, if the transaction or property is tax exempt, the contractor consents to a reduction in the contract price.

**Parent topic:** [Subpart 29.3 - State and Local Taxes](#)