52.229-7 Taxes-Fixed-Price Contracts with Foreign Governments.

As prescribed in 29.402-1(b), insert the following clause:

Taxes-Fixed-Price Contracts with Foreign Governments (Feb 2013)

(a) "Contract date," as used in this clause, means the date set for bid opening or, if this is a negotiated contract or a modification, the effective date of this contract or modification.

(b)

(1) The contract price, including the prices in any subcontracts under this contract, does not include any tax or duty that the Government of the *United States* and the Government of _____ *[insert name of the foreign government]* have agreed *shall* not apply to expenditures made by the *United States* in _____ *[insert name of country]*, or any tax or duty not applicable to this contract or any subcontracts under this contract, pursuant to the laws of _____ *[insert name of country]*. If any such tax or duty has been included in the contract price, through error or otherwise, the contract price *shall* be correspondingly reduced.

(2) Taxes imposed under 26 U.S.C. 5000 C *may* not be included in the contract price.

(c) If, after the contract date, the Government of the *United States* and the Government of _____ *[insert name of the foreign government]* agree that any tax or duty included in the contract price *shall* not apply to expenditures by the *United States* in _____ *[insert name of country]*, the contract price *shall* be reduced accordingly.

(d) No adjustment *shall* be made in the contract price under this clause unless the amount of the adjustment exceeds $250.

(End of clause)

Parent topic: 52.229 [Reserved]