

# 52.229-9 Taxes-Cost-Reimbursement Contracts with Foreign Governments.

As prescribed in [29.402-2\(b\)](#), insert the following clause:

Taxes-Cost-Reimbursement Contracts with Foreign Governments (Mar 1990)

(a) Any tax or duty from which the *United States* Government is exempt by agreement with the Government of \_\_\_\_\_ *[insert name of the foreign government]*, or from which any subcontractor under this contract is exempt under the laws of \_\_\_\_\_ *[insert name of country]*, shall not constitute an allowable cost under this contract.

(b) If any subcontractor obtains a foreign tax credit that reduces its Federal income tax liability under the *United States* Internal Revenue Code (Title 26, U.S. Code) because of the payment of any tax or duty that was reimbursed under this contract, the amount of the reduction *shall* be paid (not credited to the contract) to the Treasurer of the *United States* at the time the Federal income tax return is filed.

(End of clause)

**Parent topic:** [52.229 \[Reserved\]](#)