PART 2129 - TAXES

Authority: 5 U.S.C. 8716; 40 U.S.C. 486(c); 48 CFR 1.301.

Source: 58 FR 40377, July 28, 1993, unless otherwise noted.

Subpart 2129.1 - General

2129.170 Policy.

Subpart 2129.3 - State and Local Taxes

2129.302 Application of State and local taxes to the Government.

2129.305 State and local tax exemptions.

Subpart 2129.4 - Contract Clauses

2129.401 Domestic contracts.

2129.401-70 FEGLI Program contract clauses.

Parent topic: SUBCHAPTER E - GENERAL CONTRACTING REQUIREMENTS

Subpart 2129.1 - General

2129.170 Policy.

(a) OPM shall consider taxes as a FEGLI Program cost under 2131.205-41.

(b) For purposes of the limited cost redetermination of a FEGLI Program contract, taxes are not limited to those in effect as of the contract date, but shall include any taxes enacted, modified, or repealed, by legislative, judicial, or administrative means, during the contract year.

Subpart 2129.3 - State and Local Taxes

2129.302 Application of State and local taxes to the Government.

(a) 5 U.S.C. 8714(c)

(1) prohibits the imposition of taxes, fees, or other monetary payment on FEGLI Program premiums by any State, the District of Columbia, the Commonwealth of Puerto Rico, or any political subdivision or governmental authority of those entities.

(b) Paragraph (a) of this section shall not be construed to exempt the contractor from the imposition, payment, or collection of a tax, fee, or other monetary payment on the net income or profit accruing to or realized by it from business conducted under the FEGLI Program if the tax, fee, or payment is

applicable to a broad range of business activity.

2129.305 State and local tax exemptions.

(a) FAR 29.305 is modified for the FEGLI Program by substituting paragraph (b) of this section in the place of paragraph (b) of FAR 29.305.

(b) *Furnishing proof of exemption.* If a reasonable basis to sustain a claimed exemption exists, the seller will be furnished evidence of exemption if requested by the contractor and approved by the contracting officer or at the discretion of the contracting officer.

Subpart 2129.4 - Contract Clauses

2129.401 Domestic contracts.

2129.401-70 FEGLI Program contract clauses.

The fixed-price contract clauses in FAR subpart 29.4 are inappropriate for the FEGLI Program because of the limited cost-redetermination of FEGLI Program contracts. The clauses at FAR 52.229-1, 52.229-2, 52.229-3, and 52.229-4 shall not be inserted into FEGLI Program contracts.