

# DFARS Procedures, Guidance, and Information

## PGI 229—Taxes

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*(Revised March 21, 2006)*

### PGI 229.1--GENERAL

#### PGI 229.101 Resolving tax problems.

(a) Within their respective agencies, the following are designated legal counsel for tax matters:

(i) DLA: Ms. Louise Hansen, Office of Counsel, Defense Energy Support Center; [louise.hansen@dla.mil](mailto:louise.hansen@dla.mil); (703) 767-5003.

(ii) DCMA: Mr. Kenneth Majewski, DCMA Dallas Office of Counsel; [kenneth.majewski@dcma.mil](mailto:kenneth.majewski@dcma.mil); (214) 670-9241.

(iii) Navy: Ms. Ann Marra, Navy Office of General Counsel; [ann.marra@navy.mil](mailto:ann.marra@navy.mil); (703) 693-4072.

(iv) Air Force: [SAFGCQ.Workflow@pentagon.af.mil](mailto:SAFGCQ.Workflow@pentagon.af.mil).

(v) Army: Ms. Margaret Patterson, Office of the Judge Advocate General; [margaret.patterson@hqda.army.mil](mailto:margaret.patterson@hqda.army.mil); (703) 588-6753.

(b) Information on fuel excise taxes, including applicability, exemptions, and refunds, is available as follows:

(i) The Defense Energy Support Center website at [www.desc.dla.mil](http://www.desc.dla.mil) provides information on Federal, State, and local excise taxes.

(ii) Internal Revenue Service Publications 510 and 378, available on the Internal Revenue Service website at [www.irs.gov](http://www.irs.gov), provide information on Federal excise taxes.

(c) The contracting officer may direct the contractor to litigate the applicability of a particular tax if—

(i) The contract is either a cost-reimbursement type or a fixed-price type with a tax escalation clause such as FAR 52.229-4; and

(ii) The direction is coordinated with the DoD Tax Policy and Advisory Group through the agency-designated legal counsel.

(d)(i) Tax relief agreements between the United States and foreign governments in Europe that exempt the United States from payment of specific taxes on purchases made for common defense purposes are maintained by the United States European Command

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(USEUCOM). For further information, contact HQ USEUCOM, ATTN: ECLA, Unit 30400, Box 1000, APO AE 09128; Telephone: DSN 430-8001/7263, Commercial 49-0711-680-8001/7263; facsimile: 49-0711-680-5732.

(ii) Other international treaties may exempt the United States from the payment of specific taxes. The Department of State publishes a list of treaties on its website at [www.state.gov](http://www.state.gov).

(iii) Tax relief also may be available in countries that have not signed tax relief agreements. The potential for such relief should be explored in accordance with paragraph (d)(iv) of this section.

(iv) DoD Directive 5100.64, DoD Foreign Tax Relief Program, defines DoD tax relief policy and requires designation of a military commander as the single point of contact for investigation and resolution of specific matters related to the foreign tax relief program within the country for which the commander is designated. Those military commanders are the same as the ones designated under DoD Directive 5525.1, Status of Forces Policy and Information, and specified in Appendix C of Army Regulation 27-50/SECNAVINST 5820.4G, Status of Forces Policies, Procedures, and Information.

(A) DoD Directive 5100.64 is available at <http://www.dtic.mil/whs/directives/corres/html/510064.htm>.

(B) DoD Directive 5525.1 is available at <http://www.dtic.mil/whs/directives/corres/html/55251.htm>.

(C) Appendix C of Army Regulation 27-50/SECNAVINST 5820.4G is available at [http://www.army.mil/usapa/epubs/xml\\_pubs/r27\\_50/main.xml#appc](http://www.army.mil/usapa/epubs/xml_pubs/r27_50/main.xml#appc).

(v) Also see PGI 229.70 for special procedures for obtaining tax relief and duty-free import privileges when conducting U.S. Government acquisitions in certain foreign countries.

### **PGI 229.170 Reporting of foreign taxation on U.S. assistance programs.**

#### **PGI 229.170-3 Reports.**

(1) Upon receipt of a notification under the clause at DFARS 252.229-7011, that a foreign tax has been imposed, submit the following information to the applicable office identified in paragraph (2) of this subsection.

(i) Contractor name.

(ii) Contract number.

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(iii) Contractor point of contact (Name, phone number, FAX number, and e-mail address).

(iv) Amount of foreign taxes assessed by each foreign government.

(v) Amount of any foreign taxes reimbursed by each foreign government.

(2) Submit the information required by paragraph (1) of this subsection to—

(i) For Army contracts:

Commander, U.S. Army Security Assistance Command  
ATTN: AMSAC-SR  
5701 21st Street  
Fort Belvoir, VA 22060-5940.

(ii) For Navy contracts:

Navy International Programs Office  
ATTN: IPO 02C2F  
Nebraska Avenue Complex  
4255 Mt. Vernon Dr., Suite 17100  
Washington, DC 20393-5445.

(iii) For Air Force contracts:

Secretary of the Air Force/International Affairs  
ATTN: SAF/IAPC  
1080 Air Force, Pentagon  
Washington, DC 20330-1080.

(iv) For Marine Corps contracts:

Navy International Programs Office  
ATTN: IPO 02C2F  
Nebraska Avenue Complex  
4255 Mt. Vernon Dr., Suite 17100  
Washington, DC 20393-5445.

(v) For all other DoD contracts:

Defense Security Cooperation Agency  
ATTN: DBO-CFD

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201 12th Street South, Suite 203  
Arlington, VA 22202-5408.