

52.229-8 Taxes-Foreign Cost-Reimbursement Contracts.

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

Taxes-Foreign Cost-Reimbursement Contracts (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 the Contractor or 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 the Contractor or subcontractor under this contract 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 or credited at the time of such offset to the Government of the *United States* as the *Contracting Officer* directs.

(End of clause)

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