

## 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 \[Reserved\]](#)