




U.S. MERIT SYSTEMS PROTECTION BOARD

Financial and Administrative Management

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July 22, 2025

TO: MSPB Contracting Officers

FROM: 
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Subject: FAR Class Deviation for FAR Part 29 in Support of Executive Order 14275 on Restoring Common Sense to Federal Procurement

1. Purpose. This memorandum approves a class deviation to Federal Acquisition Regulation (FAR) part 29 for purposes of implementing the FAR Council's model deviation to FAR part 29.
2. Background. On April 15, 2025, Executive Order (EO) 14275 on Restoring Common Sense to Federal Procurement was signed by the President. Section 2 of the EO establishes the policy that the FAR "should only contain provisions required by statute or essential to sound procurement, and any FAR provisions that do not advance these objectives should be removed."

The FAR is being updated to:

- Eliminate non-statutory language
- Remove redundant or obsolete language
- Enhance clarity through plain language
- Align with the new FAR framework
- Preserve essential governmentwide acquisition standards

This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative. This initiative will make the FAR more concise, understandable, and focused on core procurement requirements.

3. Summary of Changes. FAR part 29, Taxes, has been streamlined to strengthen clarity and focus, helping to ensure procedures that support the full and open competition are easier to understand and apply.

Statutory requirements retained in the RFO FAR part 29 model deviation include, but are not limited to, the following:

- Imposition of Tax (26 U.S.C. § 4041)
- Exemptions (26 U.S.C. § 4053)
- Gas Guzzler Tax (26 U.S.C. § 4064)
- Certain Tax-Free Sales (26 U.S.C. § 4221)
- Tax Exemptions (26 U.S.C. § 4293 and § 4483)
- Imposition of Tax on Certain Foreign Procurement (26 U.S.C. § 5000C)
- Transportation of Humanitarian Relief Supplies to Foreign Countries (10 U.S.C. § 402)
- Foreign Disaster Assistance (10 U.S.C. § 404)
- Domestic Emergency Assistance (10 U.S.C. § 2557)
- Humanitarian Assistance (10 U.S.C. § 2561)

Retained

- Revisions made to the “Scope of Part” at 29.000 are minor plain language adjustments. The substantive scope of the part remains.
- Subpart 29.1 - Guidance for resolving tax problems is retained at 29.101; however, contracting officers are now required to request assistance from assigned legal counsel when tax issues arise. It was previously encouraged, but not required, to do so.
- Subpart 29.2 - Federal Excise Taxes is retained; however contracting officers are now required to request offers on a tax-exclusive basis when the law exempts the Government from federal excise taxes, unless inappropriate for the circumstances. It was previously encouraged, but not required, to do so.
- Subpart 29.3 - The language governing application of State and Local Taxes has been logically reorganized and renumbered. This restructuring improves the flow of information, making the subpart more intuitive for users. For instance, the specific rules for the North Carolina Sales and Use Tax Act, previously located in a sub-paragraph, have been elevated to a standalone section, increasing their visibility and usability.
- Subpart 29.4 - Most of the solicitation provisions, contract clauses, and prescriptions are retained, with plain language edits where appropriate, because they are tied to specific tax law.
- Clauses and provisions retained with plain language adjustments include:
 - 52.229-1, State and Local Taxes.
 - 52.229-2, North Carolina State and Local Sales and Use Tax
 - 52.229-3, Federal, State, and Local Taxes.
 - 52.229-4, Federal, State, and Local Taxes (State and Local Adjustments)
 - 52.229-5, Remains “Reserved”
 - 52.229-6, Taxes-Foreign Fixed-Price Contracts.
 - 52.229-7, Taxes-Fixed-Price Contracts with Foreign Governments
 - 52.229-8, Taxes-Foreign Cost-Reimbursement Contracts.
 - 52.229-9, Taxes-Cost-Reimbursement Contracts with Foreign Governments
 - 52.229-10, State of New Mexico Gross Receipts and Compensating Tax
 - 52.229-11, Tax on Certain Foreign Procurements—Notice and Representation
 - 52.229-12, Tax on Certain Foreign Procurements

Removed

- Content that is outdated, redundant, or otherwise unnecessary.
- Information in Section 29.304, Matters requiring special consideration has been removed or relocated, as appropriate.
- Subsection 29.402-4 - Taxes for foreign contracts in Afghanistan. FAR 29.402-4, prescribing tax requirements for foreign contracts in Afghanistan has been removed in its entirety because the Status of Forces Agreement (SOFA) expired in 2021, along with the following clauses prescribed in that section:
 - 52.229-13: Taxes—Foreign Contracts in Afghanistan
 - 52.229-14: Taxes—Foreign Contracts in Afghanistan (North Atlantic Treaty Organization Status of Forces Agreement)
- Definitions. The definitions of North Atlantic Treaty Organization (NATO) Forces and U.S. Forces in Afghanistan have been removed for the same reasons noted above.

This is not an exhaustive list of the changes.

4. Instructions. The MSPB acquisition workforce shall:

- Follow the RFO part 29 model deviation text instead of FAR part 29 as codified at 48 CFR chapter 1. The Council's RFO part 29 model deviation text is available at [Acquisition.gov/far-overhaul](https://www.acquisition.gov/far-overhaul) and is incorporated into this class deviation.
- Review templates and related standard operating procedures to align with this deviation and remove unnecessary processes or steps.

5. Applicability. This class deviation applies to all MSPB procurements.

6. Authority. This class deviation is issued under the authority of EO 14275, OMB memorandum M- 25-26, 48 CFR 1.4, and RFO FAR 1.304.

7. Effective Date. This class deviation is effective immediately and remains in effect until rescinded or incorporated into the FAR.

8. Point of Contact. Questions regarding this class deviation may be directed to: Michaela Klarmann, michaela.klarmann@mspb.gov.