

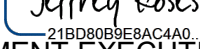


GSA Office of Governmentwide Policy

7/16/2025

RFO-2025-29

## MEMORANDUM FOR GSA CONTRACTING ACTIVITIES

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SUBJECT: FAR Class Deviation for FAR Part 29 in Support of Executive Order 14275, 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.** [Executive Order \(E.O.\) 14275, Restoring Common Sense to Federal Procurement](#), signed April 15, 2025, mandates a comprehensive review and simplification of the FAR.

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 updated to be more direct, active, and accessible. The main objective was to rewrite the complex tax requirements in plain language, leading to an approximate 20% reduction in word count.

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

- 26 U.S.C. § 4041, Imposition of tax
- 26 U.S.C. § 4053, Exemptions
- 26 U.S.C. § 4064, Gas guzzler tax
- 26 U.S.C. § 4221, Certain tax-free sales
- 26 U.S.C. § 4293 and § 4483, Tax exemptions
- 26 U.S.C. § 5000C, Imposition of tax on certain foreign procurement
- 10 U.S.C. § 402, Transportation of humanitarian relief supplies to foreign countries
- 10 U.S.C. § 404, Foreign disaster assistance
- 10 U.S.C. § 2557, Domestic emergency assistance
- 10 U.S.C. § 2561, Humanitarian assistance

Change	Description
Retained	<ul style="list-style-type: none"> <li>● Revisions made to the “<b>Scope of Part</b>” at 29.000 are minor plain language adjustments. The substantive scope of the part remains.</li> <li>● Subpart 29.1 - Guidance for <b>resolving tax problems</b> is retained at 29.101; however, contracting officers are <b>now required to request assistance from assigned legal counsel when tax issues arise</b>. It was previously encouraged, but not required, to do so.</li> <li>● Subpart 29.2 - <b>Federal Excise Taxes</b> is retained; however contracting officers <b>are now required to request offers on a tax-exclusive basis when the law exempts the Government from federal excise taxes</b>, unless inappropriate for the circumstances. It was previously encouraged, but not required, to do so.</li> <li>● Subpart 29.3 - The language governing application of <b>State and Local Taxes</b> 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.</li> <li>● Subpart 29.4 - Most of the solicitation provisions, contract clauses, and prescriptions are retained, <b>with plain language edits where appropriate</b>, because they are <b>tied to specific tax law</b>.</li> <li>● <b>Clauses and provisions retained with plain language adjustments include:</b> <ul style="list-style-type: none"> <li>○ 52.229-1, State and Local Taxes.</li> <li>○ 52.229-2, North Carolina State and Local Sales and Use Tax</li> <li>○ 52.229-3, Federal, State, and Local Taxes.</li> <li>○ 52.229-4, Federal, State, and Local Taxes (State and Local Adjustments)</li> <li>○ 52.229-5, Remains “Reserved”</li> <li>○ 52.229-6, Taxes-Foreign Fixed-Price Contracts.</li> <li>○ 52.229-7, Taxes-Fixed-Price Contracts with Foreign Governments</li> <li>○ 52.229-8, Taxes-Foreign Cost-Reimbursement Contracts.</li> <li>○ 52.229-9, Taxes-Cost-Reimbursement Contracts with Foreign Governments</li> <li>○ 52.229-10, State of New Mexico Gross Receipts and Compensating Tax</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ 52.229-11, Tax on Certain Foreign Procurements—Notice and Representation</li> <li>○ 52.229-12, Tax on Certain Foreign Procurements</li> </ul>
<b>Removed</b>	<ul style="list-style-type: none"> <li>● <b>Definitions</b> of North Atlantic Treaty Organization (NATO) Forces, and U.S. Forces in Afghanistan have been removed.</li> <li>● Information in Section 29.304, Matters requiring <b>special consideration</b> has been removed or relocated, as appropriate.</li> <li>● Subsection 29.402-4, prescribing tax requirements for foreign contracts in <b>Afghanistan</b> has been removed in its entirety, along with the following clauses prescribed in that section: <ul style="list-style-type: none"> <li>○ 52.229-13, Taxes—Foreign Contracts in Afghanistan</li> <li>○ 52.229-14, Taxes—Foreign Contracts in Afghanistan (North Atlantic Treaty Organization Status of Forces Agreement)</li> </ul> </li> </ul>

This table is not an exhaustive list.

#### 4. Instructions.

- The GSA acquisition workforce must follow the RFO part 29 and corresponding 52 model deviation text instead of FAR part 29 and 52 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.
- When using any provisions or clauses that have been revised, utilize the RFO model deviation language at [RFO FAR part 52](#).
- Do not include any of the removed provisions or clauses in future solicitations and contracts.
- For open solicitations or awarded contracts, the contracting officer has discretion regarding the need to enforce or amend the provisions or clauses. Note that without some of the removed provisions or clauses, the contracting officer may be required to separately address certain aspects in the contract.
- Review templates and related standard operating procedures to remove unnecessary process steps.

**5. Applicability.** This class deviation applies to all GSA procurements.

**6. Authority.** This class deviation is issued under the authority of EO 14275, [OMB Memo 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. Points of Contact.** Try asking [GSAi](#) first (upload the new RFO language and GSA's implementing deviation, then ask your question). If you still need clarification, you may email the GSA Acquisition Policy Division at [GSARPolicy@gsa.gov](mailto:GSARPolicy@gsa.gov).