Subchapter E—General Contracting Requirements

PART 2828—BONDS AND INSURANCE

Subpart 2828.1—Bonds

Sec.
2828.106 Administration.
2828.106-6 Furnishing information

Subpart 2828.2—Sureties

2828.204 Alternatives in lieu of corporate or individual sureties.

Subpart 2828.3—Insurance

2828.307–1 Group insurance plans.

PART 2829—TAXES

Subpart 2829.3—State and Local Taxes

Sec.
2829.303 Application of State and local taxes to Government contractors and subcontractors.

(a) It is DOJ policy that DOJ contracts shall not contain clauses expressly designating prime contractors as agents of the Government for the purpose of avoiding State and local taxes.

(b) Although circumstances may exist under which a contractor is an agent of the Government, even in the absence of a contract clause expressly designating a contractor as such, these circumstances should be extremely rare. Before any DOJ contracting activity may contend that any of its contractors are agents of the Government for the purpose of claiming immunity from State and local sales and use taxes, the matter will be referred to the AAG/A for review, and approval to ensure that DOJ policy is complied with and that the contracting activity’s contention is fully in accordance with the pertinent legal principles and precedents. Each case forwarded will be reviewed by the HCA before referral to the AAG/A. The referral will include all pertinent data on which the contracting activity’s contention is based, together with a thorough analysis of all relevant legal precedents.

(c) Whenever clauses, procedures, and business practices are cited by DOJ view, the contracting office should utilize all sources of information available such as audit, industry practices, etc., to determine that acceptance of the group insurance plan, as submitted, is in the Government’s best interest.