DEPARTMENT OF DEFENSE
GENERAL SERVICES ADMINISTRATION
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
48 CFR Part 31
[FAC 90–37; FAR Case 94–002; Item XIII]
RIN 9000–AG79

Federal Acquisition Regulation; Availability of Accounting Guide
AGENCIES: Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to advise contractors on how to obtain an informational accounting guide entitled “Guidance for New Contractors.” This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

EFFECTIVE DATE: March 26, 1996.

FOR FURTHER INFORMATION CONTACT: Mr. Jeremy Olson at (202) 501–3221 in correspondence.

A. Background

The final rule is the result of a recommendation by the Office of Federal Procurement Policy SWAT Team that the FAR be revised to include information on how contractors may obtain an accounting guide, published by the Defense Contract Audit Agency, to assist in developing contractors’ accounting systems.

B. Regulatory Flexibility Act

The final rule does not constitute a significant FAR revision within the meaning of FAR 1.501 and Public Law 98–577, and publication for public comments is not required. Therefore, the Regulatory Flexibility Act does not apply. However, comments from small entities concerning the affected subpart will be considered in accordance with 5 U.S.C. 610. Such comments must be submitted separately and cite 5 U.S.C. 601, et seq. (FAC 90–37, FAR case 94–002), in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the changes to the FAR do not impose recordkeeping or information collection requirements, or collections of information from offerors, contractors, or members of the public which require the approval of the Office of Management and Budget under 44 U.S.C. 3501, et seq.

List of Subjects in 48 CFR Part 31

Government procurement.

Dated: January 11, 1996.

Edward C. Loeb,
Acting Director, Office of Federal Acquisition Policy.

Therefore, 48 CFR Part 31 is amended as set forth below:

PART 31—CONTRACT COST PRINCIPLES AND PROCEDURES

1. The authority citation for 48 CFR Part 31 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

2. Section 31.002 is added to read as follows:

31.002 Availability of accounting guide.


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DEPARTMENT OF DEFENSE
GENERAL SERVICES ADMINISTRATION
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Part 31
[FAC 90–37; FAR Case 92–604; Item XIV]
RIN 9000–AF85

Federal Acquisition Regulation; Nonallowability of Excise Taxes on Nondeductible Contributions to Deferred Compensation Plans

AGENCIES: Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have agreed on a final rule to amend the Federal Acquisition Regulation (FAR) by revising the cost principle concerning taxes. This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

EFFECTIVE DATE: March 26, 1996.

FOR FURTHER INFORMATION CONTACT: Mr. Jeremy F. Olson at (202) 501–3221 in reference to this FAR case. For general information, contact the FAR Secretariat, Room 4037, GS Building, Washington, DC 20405 (202) 501–4755. Please cite FAC 90–37, FAR case 92–604.

SUPPLEMENTARY INFORMATION:

A. Background

Under the current FAR 31.205–41(b)(6), excise taxes on accumulated funding deficiencies or prohibited transactions involving employee deferred compensation plans pursuant to sections 4971 and 4975 of the Internal Revenue Code of 1954, as amended, are unallowable. This reflects a longstanding Government policy that punitive-type excise taxes are not reimbursable costs on Government contracts. Over the years, subsequent legislation has added several new excise taxes to subtitle D, chapter 43 of the Internal Revenue Service Code such that the Code currently lists 13 such taxes. The Councils have agreed that it is appropriate to revise FAR 31.205–41(b)(6) to insert a general prohibition on all excise taxes found at subtitle D, chapter 43 of the Internal Revenue Service Code. Such a general prohibition will ensure that future legislative changes to subtitle D, chapter 43 of the Internal Revenue Code will be automatically reflected in the cost principle.

A proposed rule was published in the Federal Register at 59 FR 16393, April 6, 1994, with a request for comments. Three responses were received. The Councils’ analysis of those comments did not result in any revisions to the proposed rule.

B. Regulatory Flexibility Act

The Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration certify that this final rule will not have a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because most contracts awarded to small entities are awarded on a competitive, fixed-price basis and the cost principles do not apply.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the changes to the FAR do not impose recordkeeping or information collection requirements, or collections of information from offerors, contractors, or members of the public which require the approval of the Office of Management and Budget under 55 U.S.C. 3501, et seq.

List of Subjects in 48 CFR Part 31


Edward C. Loeb, Acting Director, Office of Federal Acquisition Policy.

Therefore, 48 CFR Part 31 is amended as set forth below:

PART 31—CONTRACT COST PRINCIPLES AND PROCEDURES

1. The authority citation for 48 CFR Part 31 continues to read as follows:

Authority: 40 U.S.C. 488(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

2. Section 31.205–41 is amended by revising paragraph (b)(6) to read as follows:

31.205–41 Taxes.

(b) * * * * * *(6) Any excise tax in subtitle D, chapter 43 of the Internal Revenue Code of 1986, as amended. That chapter includes excise taxes imposed in connection with qualified pension plans, welfare plans, deferred compensation plans, or other similar types of plans.