

**TAXES - FOREIGN COST-REIMBURSEMENT CONTRACT**

(a) Any tax or duty from which the United States Government or JPL is exempt by agreement with the Government of

\_\_\_\_\_,  
or from which the Contractor or any subcontractor under this Contract is exempt under the laws of

\_\_\_\_\_,  
shall not constitute an allowable cost under this Contract.

(b) If the Contractor or subcontractor under this Contract obtains a foreign tax credit that reduces its Federal income tax liability under the United States Internal Revenue Code (Title 26, U.S. Code) because of the payment of any tax or duty that was reimbursed under this Contract, the amount of the reduction shall be paid or credited at the time of such offset to the Government of the United States as the JPL Contract Negotiator directs.