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To:

Cc:

Subject: Tax Information on Defense Contractors

You are correct that there is no provision for disclosure specifically included in the new FAR self tax certification requirements. In part in an effort to not bog down the contracting officers and procurement folks with having to become tax experts in the course of their responsibility determination, the self certification of the contractor stands alone and speaks for itself like other certification made by the contractors in the course of bidding for a contract. If there is something in the information received by the contracting official in the course of the procurement process that they feel they need additional information about from the IRS they can ask the contractor to provide a consent to disclosure of the information they need and send that to the IRS. Neither the FAR regs on self tax certification nor the Code consent provision detail the circumstances under which a consent should or could be sought. For example, if the procurement officer wants additional information about a tax matter reported by a contractor, or if a procurement official has reason to believe the information provided by the contractor is incomplete, a consent can be sought. It is my understanding that the contractor faces the same ramifications for providing incorrect or inadequate information in response to the self tax certification as it does for the other information required to be provided under the FAR.

I am not sure if the FAR or any of the information about the new certification when it was added provided information about consents. A Form 8821, Tax Information Authorization, or any other document signed and dated by the contractor/taxpayer that meets the requirements of IRC 6103 and Treas. Reg. 301.6103(c)-1(b) will suffice.

Let me know if you have any more questions.