



DEFENSE LOGISTICS AGENCY
DEFENSE ENERGY SUPPORT CENTER
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IN REPLY
REFER TO DESC-CPA

SEP 22 2004

CONTRACTING INSTRUCTION (CI): 04-22
MEMORANDUM FOR CI DISTRIBUTION

SUBJECT: Reporting of Taxes on the DD 350

This CI is being issued to update DEPI 53.204-70 to provide instructions for reporting taxes on the DD 350. The amended coverage is attached to this Contracting Instruction.

This CI is effective immediately and expires upon inclusion in the DEPI. Point of contact is Cheryl Creason, extension 8471.

Gabriella M. Earhardt
GABRIELLA M. EARHARDT
Center Senior Procurement Official

Attachment
DEPI coverage

SUBPART 53.2 - PRESCRIPTION OF FORMS

53.204 Administrative matters.

53.204-70 DD Form 350, Individual Contracting Action Report.

Policy on the use of the DD Form 350 is in DFARS 204.670-2. This subsection contains instructions for completion of the DD Form 350. In addition, supplementary instructions may be found in Appendix C, Supplementary DD Form 350 Instructions and Domestic and Foreign Country Codes.

Pursuant to DEPI subpart 4.670-3(101)(c) there are four exceptions when a DD 350 or a 1057 will not be processed. The four exceptions are as follows:

- (1) Price changes resulting from economic price adjustments (EPAs).
- (2) Dollar value changes due to increases or decreases in Federal, state, or local taxes, or environmental fees.
- (3) Natural gas price conversion modifications.
- (4) Natural gas over/under consumption modifications.

Taxes that have been calculated into the unit price are to be included in the contract price, in block B8, Obligated or Deobligated Dollars, and block B11, Total Estimated Contract Value, of the DD 350. Taxes that are expressed as a separate line item on the contract are not reported on the DD350.

(101) *Top margin of the DD Form 350.* This is no longer used; the information contained there will now go on page 4 of the form (see below).