

acquisition of commercial items (except for certain subcontracts). FAR subpart 47.5 and the clause at FAR 52.247-64 do not generally apply to acquisitions by the Department of Defense.

Item III—Federal, State, and Local Taxes (FAR Case 2000-016)

This final rule amends the FAR to clarify the prescriptions at FAR 29.401 for use of FAR clauses pertaining to Federal, State, and local taxes. These clauses, 52.229-3, Federal, State, and Local Taxes; and 52.229-4, Federal,

State, and Local Taxes (State and Local Adjustments), are also updated to reflect information previously contained in the clause at FAR 52.229-5, Taxes—Contracts Performed in U.S. Possessions or Puerto Rico. FAR clause 52.229-5 is removed.

Item IV—Progress Payment Requests Under Indefinite-Delivery Contracts (FAR Case 2001-006)

This final rule amends the Federal Acquisition Regulation (FAR) to require, under indefinite-delivery contracts, the

contractor to account for and submit progress payment requests under individual orders as if each order constitutes a separate contract, unless otherwise specified in the contract. The rule is of special interest to contracting officers that administer indefinite-delivery contracts.

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