

Army Regulation 27–70

Legal Services

**Department
of Defense
Foreign Tax
Relief
Program**

**Headquarters
Department of the Army
Washington, DC
3 August 2022**

UNCLASSIFIED

SUMMARY of CHANGE

AR 27–70

Department of Defense Foreign Tax Relief Program

This regulation is certified current as of 3 August 2022. Aside from the following administrative changes, no other changes were made to certify the currency of this regulation—

- o Updates Department of the Army signature authority and history statement (title page).
- o Updates glossary (app A).

This major revision, dated 17 November 2017—

- o Rescinds the requirement to produce foreign country tax studies (formerly app A).
- o Adds internal control evaluation (app B).
- o Updates citations (throughout).
- o Updates policies and processes (throughout).


Legal Services

Department of Defense Foreign Tax Relief Program

By Order of the Secretary of the Army:

JAMES C. MCCONVILLE
General, United States Army
Chief of Staff

Official:


MARK F. AVERILL
Administrative Assistant to the
Secretary of the Army

Guard/Army National Guard of the United States, and the U.S. Army Reserve, unless otherwise stated.

Proponent and exception authority. The proponent of this regulation is The Judge Advocate General. The proponent has the authority to approve exceptions or waivers to this regulation that are consistent with controlling law and regulations. The proponent may delegate this approval authority, in writing, to a division chief within the proponent agency or its direct reporting unit or field operating agency, in the grade of colonel or the civilian equivalent. Activities may request a waiver to this regulation by providing justification that includes a full analysis of the expected benefits and must include formal review by the activity's senior legal officer. All waiver requests will be endorsed by the commander or senior leader of the requesting activity and forwarded through their higher headquarters to the policy proponent. Refer to AR 25-30 for specific guidance.

Army internal control process. This regulation contains internal control provisions in accordance with AR 11-2 and identifies key internal controls that must be evaluated (see appendix B).

Supplementation. Supplementation of this regulation and establishment of command and local forms is prohibited without prior approval from The Judge Advocate General (DAJA-KF), 2200 Army Pentagon, Washington, DC 20310-2200.

Suggested improvements. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to The Judge Advocate General (DAJA-KF), 2200 Army Pentagon, Washington, DC 20310-2200.

Distribution. This regulation is available in electronic media only and is intended for the Regular Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve.

History. This regulation is a certified current on 3 August 2022. Aside from the administrative changes listed in the summary of change, no other changes were made to certify the currency of this regulation.

Summary. This regulation contains policy and guidance for foreign tax relief for the Department of the Army.

Applicability. This regulation applies to the Regular Army, the Army National

Contents (Listed by paragraph and page number)

Chapter 1

Introduction, page 1

Purpose • 1-1, page 1

References • 1-2, page 1

Explanation of abbreviations and terms • 1-3, page 1

Responsibilities • 1-4, page 1

Chapter 2

Guidance and Implementation, page 1

Guidance • 2-1, page 1

Implementation • 2-2, page 1

Appendixes

A. References, page 3

B. Internal Control Evaluation, page 4

Glossary

*This regulation supersedes AR 27-70, dated 15 January 1980.

Chapter 1 Introduction

1–1. Purpose

This regulation implements DoDI 5100.64.

1–2. References, forms, and explanation of abbreviations

See appendix A. The abbreviations, brevity codes, and acronyms (ABCAs) used in this electronic publication are defined when you hover over them. All ABCAs are listed in the ABCA directory located at <https://armypubs.army.mil/abca/searchabca.aspx>.

1–3. Associated publications

This section contains no entries.

1–4. Responsibilities

a. U.S. Army Judge Advocate General. The Judge Advocate General is assigned with the continuing responsibility for internally supervising and monitoring the implementation of the DoD Foreign Tax Relief Program within the Department of the Army. The Judge Advocate General will coordinate such implementation through the Department of the Army Office of General Counsel (DA OGC) to the General Counsel of the Department of Defense (GC DoD) consistent with the spirit and intent of DoDD 5145.01 and DoDI 5100.64.

b. Commanders, Army service component commands. When appointed by the supported geographic combatant commander as the designated military commander (DMC) for the purposes of implementing the DoD Foreign Tax Relief Program within the Army service component command (ASCC) area of responsibility, the ASCC commander or designee will coordinate DoD Foreign Tax Relief Program activities with the ASCC Office of the Staff Judge Advocate (OSJA), who will advise and assist the DMC with the duties set forth in paragraph 1–4c and coordinate such support with the Office of the Judge Advocate General (OTJAG).

c. Designated military commander. In accordance with DoDI 5100.64, geographic combatant commanders will designate a single military commander for each foreign country that comes within the scope of paragraph 2–2 of this regulation. The DMC may further appoint a senior officer to be known as the U.S. country representative for each country for which the DMC has responsibility. Within that foreign country, the DMC or designee will—

(1) Be the single point of contact for investigating and resolving specific matters relating to the DoD Foreign Tax Relief Program and forward problems affecting that program through the supporting ASCC OSJA to the GC DoD.

(2) Liaise with the responsible U.S. diplomatic mission on current tax relief problems and with local foreign tax authorities, where appropriate.

d. Contracting officers. After first seeking guidance from local counsel and the supporting ASCC OSJA, contracting officers who administer contracts which result in the U.S. paying foreign taxes will report the contractor and amount of taxation to the DMC or designee.

Chapter 2 Guidance and Implementation

2–1. Guidance

It is DoD and Army policy to secure, to the maximum extent possible, effective relief from all foreign taxes wherever the ultimate economic burden of those taxes would, in the absence of such relief, be borne by funds appropriated or allocated to the DoD (including Security Assistance and related appropriations) or under the control of its nonappropriated fund activities. Tax relief shall be considered impractical when the total economic burden of a tax not readily identifiable in the normal course of business is so small that it may be considered a *de minimis* matter, or when the administrative burden of securing effective relief from a tax in a particular instance is greater than the amount of the relief likely to be obtained.

2–2. Implementation

This regulation applies to appropriated and nonappropriated funds of the DoD that are subject to taxes imposed by—

a. Foreign countries in which the U.S. military Services are regularly stationed or to which they are regularly deployed (other than attaché and other military personnel assigned to a U.S. diplomatic mission).

b. Any foreign countries in which most U.S. defense activities serve the common defense or overall military security of the country.

Appendix A

References

Section I

Required Publications

Unless otherwise indicated, all Army publications are available on the Army Publishing Directorate website at <https://armypubs.army.mil>.

DoDD 5145.01

General Counsel of the Department of Defense (GC DoD) (Cited in para 1–4a.) (Available at <http://www.esd.whs.mil/dd/>.)

DoDI 5100.64

DoD Foreign Tax Relief Program (Cited in para 1–1.) (Available at <http://www.esd.whs.mil/dd/>.)

Section II

Related Publications

A related publication is a source of additional information. The user does not have to read it to understand this publication.

AR 11–2

Managers' Internal Control Program

AR 25–30

Army Publishing Program

Defense Federal Acquisition Regulation Supplement

Part 229 – Taxes (Available at <https://www.acquisition.gov/>.)

Federal Acquisition Regulation

Part 29 – Taxes (Available at <https://www.acquisition.gov/>.)

Section III

Prescribed Forms

This section contains no entries.

Section IV

Referenced Forms

Unless otherwise indicated, DA forms are available on the Army Publishing Directorate website at <https://armypubs.army.mil>.

DA Form 11–2

Internal Control Evaluation Certification

DA Form 2028

Recommended Changes to Publications and Blank Forms

Appendix B

Internal Control Evaluation

B-1. Function

The function is support to the combatant commander's DMC for implementation of the DoD Foreign Tax Relief Program.

B-2. Purpose

The purpose is to assist personnel in evaluating controls listed below. It is not intended to cover all controls.

B-3. Instructions

Answers must be based upon the actual testing of controls (for example, document analysis, direct observation, sampling, simulation, and/or others). Answers that indicate deficiencies must be explained and the corrective action indicated in the supporting documentation. These management controls must be evaluated at least once every five years. Certification that this evaluation has been conducted must be accomplished on DA Form 11-2 (Internal Control Evaluation Certification).

B-4. Test questions

- a.* Is the DMC receiving advice and support from the servicing ASCC OSJA?
- b.* Is OTJAG liaising with DA OGC on issues arising from the implementation of this regulation?
- c.* Are ASCC OSJAs coordinating support with The Judge Advocate General (DAJA-KF)?

B-5. Supersession

Not applicable.

B-6. Comments

Comments regarding this evaluation should be addressed to: U.S. Army Office of the Judge Advocate General (DAJA-KF), 2200 Army Pentagon, Washington, DC 20310-2200.

Glossary

Section I

Abbreviations

AR

Army regulation

ASCC

Army service component command

DA

Department of the Army

DA OGC

Department of the Army Office of General Counsel

DMC

designated military commander

DoD

Department of Defense

DoDD

Department of Defense Directive

DoDI

Department of Defense Instruction

GC DoD

General Counsel of the Department of Defense

OSJA

Office of the Staff Judge Advocate

OTJAG

Office of the Judge Advocate General

Section II

Terms

Designated military commander

The single military commander appointed by the supported combatant commander for each foreign country that comes within the scope of paragraph 2–2 of this regulation. Within that foreign country, the DMC will—

- (1) Be the single point of contact for investigating and resolving specific matters relating to the DoD Foreign Tax Relief Program and forward problems affecting that program through legal channels to the GC DoD.
- (2) Liaise with the responsible U.S. diplomatic mission on current tax relief problems and with local foreign tax authorities, where appropriate.

Relief

Any method, technique, or procedure by which the ultimate economic burden of a tax of DoD funds may be avoided or otherwise remedied, such as exemption, refund, or drawback.

Tax

All direct or indirect foreign customs duties, import and export taxes, excises, fees, and other charges imposed at the national, local, or intermediate level of a foreign country other than charges for services requested and received, regardless of how a charge is denominated in foreign law or regulation. Taxes include, but are not limited to, business tax, circulation tax, consumption tax, gasoline tax, gross income tax, gross receipts tax, license tax, luxury tax, personal property tax, possession tax, production tax, purchase tax, real property tax, registration tax, sales tax, service tax, stamp tax, trade tax, transaction tax, transfer tax, transportation tax, turnover tax, use tax, and value added tax.

UNCLASSIFIED

PIN 031578-000