

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 307** HLS 17RS 892
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 23, 2017	1:57 PM	Author: LYONS
Dept./Agy.: REVENUE		Analyst: Benjamin Vincent
Subject: Tax Clearance Requirement: Procurement Contracts		

TAX RETURN RE SEE FISC NOTE GF RV See Note Page 1 of 1
 Requires a tax clearance from the LA Dept. of Revenue (LDR) for prior to the approval of any state procurement.

Current law provides for the requirement of a signed sales tax clearance from LDR for the issue or renewal of certain licenses or permits.

Proposed law requires the submission of a signed tax clearance from LDR prior to the approval of state procurement contracts, subcontracts, or requests for proposal for state contracts. The clearance must indicate that LDR has determined that the person, entity, contractor, vendor, or group is current in filing and payment all taxes, fees, interest, or penalties owed to the state, or has resolved the assessment or made satisfactory arrangements to pay the liability. The bill also provides for exceptions for procurements under emergency conditions and contracts that are the sole source of a required product, and exempts certain contracts from the clearance requirement.

Effective January 1, 2018.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Dept expects to be able to incorporate these additional clearances into its existing process with only minor additional effort or cost.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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