

## RÉSUMÉ DIGEST

ACT 211 (HB 307)

2017 Regular Session

Lyons

New law provides that in order for a person to receive a sales tax resale certificate from the Dept. of Revenue, a tax clearance certificate shall be required to confirm that the applicant is current in the filing of all applicable tax returns and reports, and in payment of all taxes, interest, penalties, and fees owed to the state and collected by the Dept. of Revenue.

Existing law establishes requirements for the approval of procurement contracts by the state's central purchasing agency, the office of state procurement.

New law adds a requirement that before the central purchasing agency can approve a contract for professional, consulting, or social services, or for the purchase of food, supplies, or major repairs, a tax clearance certificate shall be required to confirm that the proposed contractor is current in the filing of all applicable tax returns and reports, and in payment of all taxes, interest, penalties, and fees owed to the state and collected by the Dept. of Revenue.

New law provides that a tax clearance certificate shall not be required for purposes of bidding on or the solicitation of a procurement contract.

New law requires that the state chief procurement officer provide the secretary of the Dept. of Revenue (secretary) a list of the prospective contractors that require a tax clearance for approval of a procurement contract. The secretary is then required to provide the state chief procurement officer with a signed tax clearance for each applicant indicating whether the proposed contractor is current in filing all tax returns and in payment of all taxes, interest, penalties, and fees owed to the state of La., excluding items either under formal appeal pursuant to existing law or being paid in compliance with the terms of an installment agreement.

New law provides that in instances where an assessment against a proposed contractor has become final and collectible by distraint and sale, the proposed contractor shall not be approved for a procurement contract until the proposed contractor has filed the applicable tax returns and paid or made arrangements to pay the delinquent tax liability and the secretary notifies the state chief procurement officer of the payment or arrangement to pay.

Existing law provides for the circumstances under which the secretary may disclose certain taxpayer information to other state agencies.

New law adds authorization for the disclosure of information by the secretary to the Office of State Procurement on the request of the state chief procurement officer concerning whether a prospective contractor is current on filing all applicable tax returns and reports and in the payment of all taxes, interest, penalties, and fees owed to the state and collected by the Dept. of Revenue. The information disclosed shall be used solely for the purpose of determining whether the contract may be approved by the Office of State Procurement.

New law exempts from the requirements of new law procurements in the following circumstances:

- (1) A contract approved by the Office of State Procurement that involves an emergency or a sole source procurement.
- (2) A contract for construction, maintenance, or repair of highways or a contract financed by the U.S. government.
- (3) A contract for a higher education institution or other higher education agency if the state chief procurement officer has delegated authority to procure contracted services using private grant funds or federal funds.

New law authorizes the secretary to promulgate rules and regulations in accordance with the Administrative Procedure Act necessary to implement the provisions of new law.

New law applies to any request for issuance or renewal of a resale certificate submitted to the Dept. of Revenue and to any approval or request for approval of a contract submitted to the Office of State Procurement on or after Oct. 1, 2017.

Effective upon signature of governor (June 14, 2017).

(Adds R.S. 39:1624(A)(10) and R.S. 47:1508(B)(41) and 1678)