2017 Regular Session

HOUSE BILL NO. 307

BY REPRESENTATIVE LYONS

1	AN ACT
2	To enact R.S. 39:1624(A)(10) and R.S. 47:1508(B)(41) and 1678, relative to tax clearances
3	from the Department of Revenue; to require a tax clearance for the issuance or
4	renewal of a sales tax resale certificate; to require a tax clearance for approval of
5	certain state contracts; to provide for exceptions; to provide for an effective date; and
6	to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 39:1624(A)(10) is hereby enacted to read as follows:
9	§1624. Approval of contract; penalties
10	A. Before approving a proposed contract for professional, personal,
11	consulting, or social services, the state chief procurement officer or an assistant shall
12	have determined that:
13	* * *
14	(10) The prospective contractor is current in the filing of all applicable tax (10)
15	returns and reports, and in payment of all taxes, interest, penalties, and fees owed to
16	the state and collected by the Department of Revenue in accordance with R.S.
17	<u>47:1678.</u>
18	Section 2. R.S. 47:1508(B)(41) and 1678 are hereby enacted to read as follows:
19	§1508. Confidential character of tax records
20	* * *
21	B. Nothing herein contained shall be construed to prevent:
22	* * *
23	(41) Upon the request of the state chief procurement officer, for purposes of
24	the requirements established under R.S. 47:1678, the secretary is authorized to
25	disclose to the central purchasing agency information concerning whether a
26	prospective contractor for a contract with the state for the procurement of personal,

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1	professional, consulting, or social services or the purchasing of food, supplies, or
2	major repairs that requires the approval of the central purchasing agency is current
3	in the filing of all applicable tax returns and reports and in the payment of all taxes,
4	interest, penalties, and fees owed to the state and collected by the Department of
5	Revenue. The information disclosed shall be used solely for the purpose of
6	determining whether the contract may be approved by the central purchasing agency.
7	The secretary shall not disclose any data from returns or reports provided by the
8	Internal Revenue Service. Any information so furnished shall be considered and held
9	as confidential and privileged by the central purchasing agency as is required under
10	Subsection A of this Section.
11	* * *
12	§1678. Tax clearances; resale certificates; certain procurement contracts
13	A. Notwithstanding any other provision of law to the contrary, no state sales
14	tax resale certificate shall be issued or renewed for any applicant unless the applicant
15	is current in filing all tax returns and in payment of all taxes, interest, penalties, and
16	fees owed to the state of Louisiana.
17	B. Notwithstanding any other provision of law to the contrary, no contract
18	that requires the review and approval of the central purchasing agency for the
19	procurement of personal, professional, consulting, or social services or the
20	purchasing of food, supplies, or major repairs shall be approved unless the chief
21	procurement officer for the central purchasing agency has received a tax clearance
22	from the Department of Revenue indicating the proposed contractor is current in
23	filing all tax returns and in payment of all taxes, interest, penalties, and fees owed
24	to the state of Louisiana. The tax clearance required by this Section shall not be
25	required for purposes of bidding on or solicitation of a procurement contract. For
26	purposes of this Section, the tax clearance shall be required for the approval of all
27	procurement contracts with this state for purposes including but not limited to the
28	following:
29	(1) Capital construction.
30	(2) Any product, good, service, or repair.

1	(3) Supplies, services, or major repairs, including but not limited to high
2	technology acquisitions or of complex services.
3	(4) Consulting, professional, personal, and social services.
4	(5) Purchase or lease of property as authorized by law.
5	(6) Medical and laboratory supplies and medical equipment required for the
6	purpose of diagnosis or direct treatment of a patient by a health care provider in a
7	hospital or clinical setting, including procurement through a group purchasing
8	organization.
9	C. An exception to the requirements of this Section for a procurement
10	enumerated in Subsection B of this Section is authorized in either of the following
11	circumstances:
12	(1) The state chief procurement officer or his designee if the designee is
13	above the level of procurement officer may make or authorize others to approve a
14	contract for emergency procurements when there exists an imminent threat to the
15	public health, welfare, safety, or public property under emergency conditions as
16	defined in accordance with regulations.
17	(2) The state chief procurement officer or his designee if the designee is
18	above the level of procurement officer determines in writing that there is only one
19	source for the required product, service, or major repair item.
20	D. This Section shall not apply to any of the following:
21	(1) Contracts for construction, maintenance, or repair of highways and
22	streets or to contracts financed in whole or in part by contributions or loans from any
23	agency of the United States government.
24	(2) A procurement contract of an institution of higher education or other
25	agency of higher education if the state chief procurement officer has delegated
26	authority to procure the contracted services using private grant funds or federal funds
27	that are available specifically for purposes of the contract.
28	E. The state chief procurement officer shall provide the secretary a list of the
29	prospective contractors that require a tax clearance for approval of a procurement
30	contract. Such list shall be submitted to the secretary in the manner and form

1	prescribed by the secretary. The secretary, upon receipt, shall provide the state chief
2	procurement officer with a signed tax clearance for each applicant indicating whether
3	the proposed contractor is current in filing all tax returns and in payment of all taxes,
4	interest, penalties, and fees owed to the state of Louisiana, excluding items under
5	formal appeal pursuant to applicable statutes or being paid in compliance with the
6	terms of an installment agreement. Where an assessment against a proposed
7	contractor has become final and collectible by distraint and sale, such proposed
8	contractor shall not be approved for a procurement contract until such time as the
9	proposed contractor has filed the applicable tax returns, or resolved the assessment,
10	or paid or made arrangements to pay the delinquent tax liability and the secretary
11	notifies the state chief procurement officer of the payment or arrangement to pay.
12	F. The secretary is authorized to promulgate rules and regulations in
13	accordance with the Administrative Procedure Act as may be necessary to implement
14	the provisions of this Section.
15	Section 3. The provisions of this Act shall apply to any request for issuance or
16	renewal of a resale certificate submitted to the Department of Revenue and to any approval
17	or request for approval of a contract submitted to the central purchasing agency on or after
18	October 1, 2017.
19	Section 4. This Act shall become effective upon signature of the governor or, if not
20	signed by the governor, upon expiration of the time for bills to become law without signature
21	by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If
22	vetoed by the governor and subsequently approved by the legislature, this Act shall become
23	effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

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