

THE NATIONAL LAW REVIEW

Tax Clearance Now Required for Louisiana State Sales Tax Resale Certificates and Approval of Certain State Procurement Contracts

Tuesday, October 24, 2017

The Louisiana Department of Revenue has now issued formal guidance regarding the new requirement that taxpayers receive a Louisiana state tax clearance in order to obtain: (i) a new or renew an existing Louisiana state sales tax resale certificates; and (ii) approval of certain Louisiana state procurement contracts.



Specifically, the Department has issued the following new Revenue Information Bulletins (RIBs):

- [Revenue Information Bulletin No. 17-020 \(October 17, 2017\) \(Tax Clearance Required for All Taxes for Sales Tax Resale Certificate\)](#); and
- [Revenue Information Bulletin No. 17-021 \(October 17, 2017\) \(Tax Clearance Required for Approval of Certain Procurement Contracts\)](#).

Tax Clearance Required for State Sales Tax Resale Certificates - RIB 17-020:

Effective June 14, 2017, Act 211 (HB 307) of the 2017 Regular Session of the Louisiana Legislature enacted La. R.S. 47:1678 to require an applicant applying for issuance or renewal of a Louisiana state sales tax resale certificate to be current in filing all tax returns and reports and in payment of all taxes, interest, penalties, and fees owed to the state and collected by the Department.

As of October 1, 2017, the Department will not issue or renew a state resale certificate for any taxpayer unless the taxpayer has obtained a tax clearance, which is achieved when the taxpayer has:

- filed all tax returns and reports due, and
- paid all taxes, interest, penalties, and fees owed to the state.

Excluded are items under formal appeal pursuant to applicable statutes or being paid in compliance with the terms of an installment agreement with the Department.

This tax clearance requirement applies to all state taxes, including sales, income, withholding, excise, severance, tobacco, and automobile rental tax.

JONES WALKER

Article By [Matthew A. Mantle](#)
[Ravinder Khinda Jones Walker LLP](#)
[Cooking with SALT](#)

[Tax](#)
[Louisiana](#)

Tax Clearance Required for State Procurement Contracts - RIB 17-021:

Effective June 14, 2017, Act 211 (HB 307) of the 2017 Regular Session of the Louisiana Legislature enacted R.S. 39:1624(A)(10) and 47:1678 to require a tax clearance for approval of certain state contracts.

As of October 1, 2017, all state contracts that require the review and approval of the central purchasing agency of the Louisiana Office of State Procurement (the "Procurement Office") for the procurement of personal, professional, consulting, or social services will be **approved only after** the Procurement Office has obtained a tax clearance from the Department on behalf of the contracting taxpayer.

A tax clearance will only be granted by the Department if the proposed contractor is current in filing all tax returns and reports and payment of all taxes, interest, penalties, and fees owed to the state and collected by the Department.

Excluded are items under formal appeal pursuant to applicable statutes or being paid in compliance with the terms of an installment agreement with the Department.

A tax clearance is **not** required in order to bid on or solicit a procurement contract.

If a proposed contractor is subject to a final assessment that is collectible by distraint and sale, the proposed contractor cannot be approved for a procurement contract until the contractor has filed all returns and reports due, paid, or made arrangements with the Department to pay the delinquent tax liability, and the Department has notified the Procurement Office of the payment or arrangement to pay.

© 2019 Jones Walker LLP

Source URL: <https://www.natlawreview.com/article/tax-clearance-now-required-louisiana-state-sales-tax-resale-certificates-and>