TO: Purchasing Authority Contacts (PACs)
Procurement and Contracting Officers (PCOs)

RE: Expatriate Corporations

Pursuant to enactment of AB 759 (Chapter 349, Statutes of 2010), on January 1, 2011, an expatriate corporation is one that is domiciled in a country that does not have a valid income tax treaty with the United States.

Since this new law prohibits a state entity from contracting with a company that fled the United States for a foreign tax haven, it is the duty of each bidder to determine if they are qualified to compete for contracts with the State of California.

Please note that DGS will no longer issue letters specifying which firms are expatriate corporations. Accordingly, the June 18, 2004 letter signed by then DGS Director Joseph, which listed certain expatriate corporations, is rescinded effective January 1, 2011.

Procurement and Contracting Officers are advised that bidders are responsible for determining whether their corporation is impacted by the law and whether they are qualified to compete for contracts with the State of California. Customer agencies should exercise due diligence in verifying that firms meet appropriate laws and regulations that ensure the bidder is eligible to bid on State contracts.

If you have any questions regarding this notification, please contact:

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