



**Department of General Services
Procurement Division**

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

**RE: Repeal of Internal Revenue Code Section 3402 (t) – Federal Withholding
Requirements**

The purpose of this Broadcast Bulletin is to notify State of California's procurement officials that effective November 11, 2011; Public Law 112-056 amends the Internal Revenue Code to repeal the 3% withholding requirement on payments made after December 31, 2012 to vendors providing goods and services to federal, state, and local governmental entities. State Departments are no longer subject to the 3% withholding requirement, which was scheduled to go into effect January 1, 2013.

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

Office of Policies, Procedures and Legislation
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