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

RE: Revision to the State Contracting Manual Volume 2. Implementation of AB 1424: Prohibition of Tax Delinquents from Contracting with the State of California

This Broadcast Bulletin announces the implementation of AB 1424 (Statutes of 2011) Public Contract Code 10295.4 that prohibits the State from entering into contracts for non-IT goods and services with the 500 persons or companies identified as being most delinquent on their tax obligations. The Franchise Tax Board and the Board of Equalization are each required to maintain a list of prohibited persons and companies. Effective July 1, 2012, departments must check the Franchise Tax Board and California Department of Tax and Fee Administration lists prior to award of any contract for non-IT goods and services. Any contract entered into with a person or company identified on either list is void and unenforceable. Departments are encouraged to develop internal procedures to comply with this law.

- Access The Franchise Tax Board’s list here:

- Access The California Department of Tax and Fee Administration’s list here:
  http://www.cdtfa.ca.gov/taxes-and-fees/top500.htm

The State Contracting Manual Volume 2, has been revised. To view the specific tracked changes, click on the date (added 5/12) listed with the info block.

Chapter 2, 2.B3.18 Prohibition on tax delinquents bidding (added 5/12)

The next edition of State Contracting Manual Volume 1 will include similar content regarding this new law.

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

Office of Policies, Procedures and Legislation
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