

810-3-73.1-.01 Security Instrument Requirements.

(1) Alabama law requires all provisional construction employers to provide a bond of not less than the average estimated annual withholding, but in no case less than \$500 per employee. The owner's legal name on the bond form must be in the name of the sole owner, all partners, corporation's name, limited partnership's name, or limited liability company's name. Personal or company checks are not acceptable security instruments.

(2) The required bond instrument may be in the form of a Surety Bond, Cash Bond, or other bonding or credit device deemed acceptable by the Commissioner of Revenue. The bond instrument must be posted and filed per Alabama Department of Revenue policy.

(3) If the Commissioner of Revenue determines that the bond instrument filed is insufficient to cover the average estimated annual tax liability, the Commissioner may require such provisional construction employer to adjust the amount of the bond to cover the amount of estimated liability.

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Authority: Sections 40-18-73.1 (Act 2007-199) and 40-2A-7(a)(5), Code of Alabama 1975
History: New rule: Filed June 6, 2008, effective July 11, 2008.