

Contractors' Gross Receipts Tax.(1) Definitions

(a) Contractor's Gross Receipt Tax- ~~The privilege or license tax levied Code of Ala. 1975, Section 40-23-50, levies a privilege or license tax~~ upon every person, firm, or corporation engaged, or continuing within this state in the business of contracting to construct, reconstruct, or build any public highway, road, bridge, or street, ~~an amount equal to 5 percent of the gross receipts of any such business.~~

~~(2) The term "reconstruct" as used in this rule means to~~ (b) Reconstruct- To construct again or repair an existing public highway, road, bridge, street, or tunnel.

~~(3) The contractors gross receipts~~ (2) Contractors Gross Receipts Tax

(a) Applies to all payments made to the contractor or contract assignee whether the payments are made pursuant to a contract, purchase order, supplemental agreement, change request, or other agreement to construct, reconstruct, or build any public highway, road, bridge, street, or tunnel. ~~tax referenced in (1) above applies~~

(b) Applies to any contract between a contractor or contract assignee and the ~~State of Alabama or between a contractor and any city, town, or county if the State of Alabama~~ state or between a contractor and any city, town, or county if the state is a joint party with the city, town, or county to construct, reconstruct, or build any public highway, road, bridge, street, or tunnel, including but ~~and includes but is~~ not limited to contracts for:

~~(a) Earthwork,~~ (i) Earthwork

~~(b) Bases,~~ (ii) Bases

~~(c) Surfacing,~~ (iii) Surfacing

~~(d) Pavements,~~ (iv) Pavements

~~(e) Structures,~~ (v) Structures

~~(f)~~ (vi) Incidentals, which become a part of the highway, road, bridge, street, or tunnel,

~~(g) Traffic control devices,~~ (vii) Traffic control devices

~~(h) Highway lighting,~~ (viii) Highway lighting

~~(i) Materials,~~ (ix) Materials

~~(j)~~ (x) Bridge scouring and painting,

~~(k)~~ (xi) Installation or repair of overhead signs

(xii) Installation or repair of structure footings ~~and/or structure footings, and~~

~~(l) Sign rehabilitation.~~ (xii) Sign rehabilitation

~~(4)~~ (3) Exemptions

~~The contractors gross receipts tax referenced in (1) above applies to all payment made to a contractor or contract assignee by the State of Alabama whether the payments are made pursuant to a contract, purchase order, supplemental agreement, change~~

~~request or other arrangement to construct, reconstruct, or build any public highway, road, bridge, street, or tunnel.~~contractor's gross receipts tax

~~(5) The contractor's gross receipts tax referenced in (1) above~~ does not apply to the following:

(a) Contracts between a contractor or contract assignee and the federal government, when the state is not a party to the contract.

(b) That portion of the gross receipts received by the contractor or contract assignee constituting additional amounts paid to the contractor or contract assignee under contractual escalation provisions allowing for an increase in the contract price for escalations in the cost of fuels, materials, ~~and~~/or labor.

(c) Gross receipts received by a contractor or contract assignee from contracts with the ~~State of Alabama~~state to construct, reconstruct, or build rest areas or welcome stations.

(d) Contracts between a contractor or contract assignee and any city, town, or county when the ~~State of Alabama is not a party to the contract,~~ and state is not a party to the contract.

(e) Contracts that do not include or require the construction, reconstruction, or building of a public highway, road, bridge, street, or tunnel. (Misener Marine Construction, Inc. V. Eagerton, 423 So.2d 161 (1982))

~~(6)~~ (4) Return Due Date and Discount.

(a) The contractor's gross receipts tax shall be due and payable in monthly installments on or before the 20th~~The contractor's gross receipts tax shall be due and payable in monthly installments on or before the twentieth~~ day of the month next succeeding the month in which a payment subject to this tax is received by the contractor or contract assignee. Every person, firm, or corporation on whom the tax is levied shall ~~prepare and forward to the Department of Revenue within the time fixed and prescribed by law, a contractor's gross receipts tax return for each calendar month and shall compute the tax due and shall pay to the Department of Revenue the amount of tax shown to be due. Contractor's gross receipts tax returns shall require the following information:~~file a contractor's gross receipts tax return for each calendar month, compute the tax due, and pay the amount of tax due to the

~~(a) Taxpayer's contractor's gross receipts tax account number and legal name,~~department.

~~(b) Period covered by the return and due date of the return,~~

~~(c) A project schedule showing each taxable project number for which a payment was received by the taxpayer from the Alabama Transportation Department, the total amounts of the~~

~~payments received on each taxable project, any escalation payments included in the gross amounts received, and the taxable amount received for each taxable project,~~A discount is allowed pursuant to Administrative Rule 810-3-5-.03.01 entitled

~~(d) Total taxable receipts from all contracts, purchase orders, supplemental agreements, and change requests,~~

~~(e) Gross tax on total taxable receipts,~~Contractors Gross Receipts Tax

~~(f) Applicable discount for prompt payment,~~

~~(g) Penalties and interest due, if applicable, (h) Credits claimed, if any,~~

~~(i) Total amount due, and~~

~~(j) Total amount remitted~~Discount.

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Statutory Authority: §§40-2A-7(a)(5), 40-23-31, and 40-23-50, Code of Ala. 1975. Misener Marine Construction, Inc. V.

Eagerton, 423 So.2d 161 (1982)., ~~§§40-23-31, 40-23-50, as amended.~~

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