

Alabama Department of Revenue

News Release
Aug. 14, 2009

ADOR Notifies Construction Industry Employers of New Payroll Fee Aimed to Promote Craft Trade Jobs

Montgomery—The Alabama Department of Revenue (ADOR) recently notified all Alabama contractors, subcontractors, and general contractors of record to inform them of a new state fee that applies to construction craft trade job payrolls, effective July 1, 2009.

The new fee, authorized by Act 2009-561 and approved by the Legislature during the 2009 session, applies to construction industry employers who employ skilled construction workers directly engaged in non-residential construction operations located in Alabama.

The ADOR advises that the fee is exclusively for the non-residential construction industry and the fee is not applied to construction work on single family homes. Commercial contractors building single family homes are not required to collect the fee on those jobs.

The fee is set at .0009 of gross wages paid for taxable construction job payroll (for example, \$90 of fees per \$100,000 of payroll) and is remitted to the Alabama Department of Revenue on a quarterly basis. The first return and fee payment are due Oct. 31, 2009, and are required to be remitted electronically to the ADOR.

Collections from the fee are earmarked for the Alabama 21st Century Authority for the benefit of the Alabama Construction Recruitment Institute and its recruitment and training promotion programs aimed at identifying and attracting individuals to construction craft trades.

For more information concerning employers' filing requirements, taxpayers may contact the ADOR at 334.242.1300 or visit the department's Web site at www.revenue.alabama.gov.

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