
NOTICE

Friday, June 5, 2026

State Construction-Related Transaction Tax

In accordance with Act 2025-84, effective June 1, 2026, there is a state tax of 0.75 percent levied on the total purchase price of construction related materials incorporated into the abatement project by each person who is granted an abatement pursuant to Section 40-9B-4 or 40-9G-2, Code of Ala. 1975.

Unabated state sales and use construction related transaction taxes are imposed by Title 40, Chapter 23, on tangible personal property and taxable services incorporated into a private use industrial property, including but not limited to, state sales tax, state sales tax direct pay, state sellers use tax, and state consumers use tax.

Each person subject to the unabated state tax is required to file a monthly return with ALDOR. The return must be filed electronically through My Alabama Taxes. The return and corresponding payment is due on or by the 20th day of each month following the month in which the tax is accrued. Example: Tax accrued June 2026 is due July 20, 2026.

Information about abatements may be found at revenue.alabama.gov/tax-incentives/chapter-9b-abatements/.

If you have any questions, contact ALDOR's Sales Tax Administration Section.

Contact

Sales and Use Tax Division
Sales Tax Administration Section
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