

APA-3

**CERTIFICATION OF ADMINISTRATIVE RULES  
FILED WITH THE LEGISLATIVE SERVICES AGENCY  
OTHNI LATHRAM, DIRECTOR**

(Pursuant to Code of Alabama 1975, §41-22-6, as amended).

I certify that the attached is/are correct copy/copies of rule/s as promulgated and adopted on Friday, October 18, 2024, and filed with the agency secretary on Friday, October 18, 2024.

**AGENCY NAME:** Alabama Department of Revenue Sales, Use & Business Tax Division

**INTENDED ACTION:** Repeal and Replace

**RULE NO.:** 810-6-5-.03.01  
(If amended rule, give specific paragraph, subparagraphs, etc., being amended)

**RULE TITLE:** Contractor's Gross Receipts Tax Discount

**ACTION TAKEN:** State whether the rule was adopted with or without changes from the proposal due to written or oral comments:

**Adopted without changes**

NOTICE OF INTENDED ACTION PUBLISHED IN VOLUME XLII, ISSUE NO. 11, AAM,  
DATED FRIDAY, AUGUST 30, 2024.

**STATUTORY RULEMAKING AUTHORITY:** §§40-2A-7(a), 40-23-31, 40-23-36, and 40-23-50, Code of Ala. 1975; Executive Order No. 51 and Executive Order No. 53

**REC'D & FILED**  
(Date Filed)

(For LRS Use Only)

**OCT 21, 2024**

**LEGISLATIVE SVC AGENCY**

*Vernon Barnett*

Vernon Barnett

Certifying Officer or his or her  
Deputy

(NOTE: In accordance with §41-22-6(b), as amended, a proposed rule is required to be certified within 90 days after completion of the notice.)

(1) §40-23-50 Code of Ala. 1975, provides that the sales tax discount authorized by §40-23-36 Code of Ala. 1975 also applies to contractor's gross receipts tax due and payable to the state.

(2) The contractor's gross receipts tax discount is calculated as follows:

- (a) Five percent (5%) of the first \$100 of tax.
- (b) Two percent (2%) of the tax over \$100.
- (c) Discount is limited to a maximum of \$400 per month.

(3) The discount authorized is limited to each contractor regardless of the number of projects upon which the contractor must report and pay contractors gross receipts tax. No discount is authorized or allowed for any taxes not paid before delinquency.

**Author:** Christy Vandevender

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a), 40-23-31, 40-23-36, 40-23-50(c); Executive Order No. 51 and Executive Order No. 53.

**History: New Rule:** Filed September 3, 1996; effective October 8, 1996. **Amended:** Filed August 30, 2001; effective October 4, 2001. **Repealed and New Rule:** Published October 31, 2024; effective December 15, 2024.