

**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

**INTENDED ACTION:** New

**RULE NO.:** 810-3-72-.03

(If amended rule, give specific paragraph, subparagraphs, etc., being amended)

**RULE TITLE:** Overtime Pay Exemption Pursuant to Act 2024-437:  
U.S. Fair Labor Standards Act Alignment

**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)(5) and 40-18-14, Code of Ala. 1975

(Date Filed)  
(For LRS Use Only)

**REC'D & FILED**  
**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.)

810-3-72-.03

**Overtime Pay Exemption Pursuant to Act  
2024-437: U.S. Fair Labor Standards Act  
Alignment.**

(1) For periods beginning on October 1, 2024, and ending June 30, 2025, gross income does not include amounts paid as overtime in accordance with the U.S. Fair Labor Standards Act.

(2) For employers governed by the National Railway Labor Act, the exemption applies to hourly component overtime compensation as defined in applicable collective bargaining agreements.

(3) Exempt overtime reporting requirements beginning October 1, 2024, require the following to be reported on the employers monthly (Form A-6) or quarterly (Form A-1) withholding tax return:

(a) The total amount of exempt overtime paid for the period.

(b) The total number of employees to which it was paid during the period filed.

(4) The exempt overtime wages included in box 14 of the employees annual Forms W-2 should correspond to the total exempt overtime wages reported with the monthly/quarterly filings for the year.

**Author:** Kathleen Abrams and Neal Hearn

**Statutory Authority:** §§40-2A-7(a)(5) and 40-18-14, Code of Ala. 1975.

**History: Repealed:** Filed July 27, 1988. **New Rule:** Published October 31, 2024; effective December 15, 2024.