

**ALABAMA DEPARTMENT OF REVENUE  
ADMINISTRATIVE CODE**

**CHAPTER 810-3-70  
DEFINITIONS**

**810-3-70-.01      Definitions.**

(1)(a) The terms "employer," "employee," and, generally, "wages" have the same meaning as defined in the Internal Revenue Code, as amended from time to time.

(b) Section 40-18-90, Code of Ala. 1975, provides additional definitions in connection with the requirement for withholding of income tax on certain winnings from wagering transactions.

(c) Section 40-18-70 and Rule 810-3-70-.03 define and provide withholding requirements for a "Provisional Construction Employer" (PCE).

(2)(a) Employer -

1. For the purpose of administering the withholding of income tax on gambling winnings as provided in Section 40-18-90, Code of Ala. 1975, the term "employer" includes any person (as defined in Section 40-18-90) who pays winnings subject to withholding.

2. An employer as defined by Section 40-18-70 is required to withhold tax from wages earned in Alabama by an employee, whether the employee is a resident or a nonresident of Alabama.

(b) Employee - For the purpose of administering the withholding of income tax on gambling winnings as provided in Section 40-18-90, Code of Ala. 1975, the term "employee" includes any person (as defined in Section 40-18-90) who receives winnings subject to withholding.

(c) Wages for Withholding Tax Purposes - Generally wages for withholding tax purposes are the same as defined in I.R.C. §3401, except when the Alabama law is in conflict with the Federal law. "Wages" for Alabama withholding tax purposes, shall include those wages exempt from Federal withholding if the wages represent taxable income under Alabama income tax law, or if there is no provision under the Alabama law for a deduction corresponding to the allowable Federal deduction.

(d) Person - For the purpose of withholding income tax on proceeds from a wagering transaction, the term "person" means all individuals, firms, partnerships, companies, corporations,

associations, trustees, receivers, the State of Alabama and any of its agencies, authorities, boards, bureaus, commissions, departments and instrumentalities, each incorporated municipality and any agencies, authorities, boards, bureaus, commissions, and departments of such municipalities, and the several counties of the State of Alabama and any agencies, authorities, boards, bureaus, commissions, and departments of such counties, and any other political subdivisions of the State of Alabama by whatever name or description.

(e) The terms "Winnings Subject to Withholding," "Proceeds from a Wager," and "Wagering Transaction" have the same meaning as that defined in 26 U.S.C. §3402, as amended from time to time.

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**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 40-18-70 and Act 2007-199.

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