

RECOMMENDED BY: The Department of Finance

SUBMITTED BY: The Deputy City Attorney

**ORDINANCE NO. 15-145**

AN ORDINANCE TO AMEND ARTICLE I, OF THE CITY OF BIRMINGHAM BUSINESS LICENSE CODE, AS ADOPTED BY ORDINANCE 97-183, AS AMENDED, NAICS 236, 237 AND 238, SCHEDULES 067 (Contractors/Pavers/Concrete), 068 (Contractors-General), 069 (Contractors-HVAC), 070 (House Movers/Wreckers) and 096 (Electricians).

**NOW, THEREFORE, BE IT ORDAINED AS FOLLOWS:**

**Section 1.**

The following City of Birmingham Ordinance 97-183, as amended, Article I, Section 1, business license taxes are hereby amended. The following schedule of license taxes for the calendar year commencing on January 1, 2016 and for each subsequent year thereafter, for Birmingham businesses are as specified herein.

**SCHEDULE 067- CONTRACTORS, EXCAVATORS, PAVERS, VIADUCT, UNDERPASS, and SEWER BUILDERS OR CONCRETE WORK**

Each person engaged in carrying on excavating, paving, viaduct installation, sewer building or concrete work or services within the City of Birmingham, where the annual gross receipts for the next preceding year is:

Less than \$50,000.....	\$250.00
\$50,000 and less than \$70,000.....	\$350.00
\$70,000 and less than \$110,000.....	\$500.00
\$110,000 and less than \$160,000.....	\$750.00
\$160,000 and less than \$210,000.....	\$850.00
\$210,000 and less than \$260,000.....	\$975.00
\$260,000 and less than \$300,000.....	\$1,100.00
\$300,000 and less than \$500,000.....	\$1,150.00
\$500,000 and less than \$750,000.....	\$1,200.00
\$750,000 and less than \$1,000,000.....	\$1,300.00
\$1,000,000 and less than \$1,500,000.....	\$1,400.00
\$1,500,000 and less than \$2,000,000.....	\$1,500.00

**Plus** an amount equal to 1/10 of 1% of annual gross receipts in excess of \$2,000,000 not to exceed a license tax amount of \$25,000.00.

(b) Where only an office is maintained in the City of Birmingham .....\$350.00

Contractor's gross receipts will be determined based upon work done in the City limits of the City of Birmingham. This includes any work performed in the City of Birmingham for projects outside of the City. It does not include gross receipts for work performed outside of the City. For purposes of this schedule, the gross receipts shall be reduced by the amounts of gross receipts taxable by taxing authorities outside of the City of Birmingham city limits. Contractors gross receipts shall also exclude (i.e. deduct) the amount of payments made to sub-contractors for services performed by said sub-contractors, regardless of the sub-contractor's office location.

*Example: Contractor has a construction project in Huntsville for a total contract amount of \$1,000,000.00 (1 million dollars). \$950,000 of the construction work is performed by the Contractor solely in Huntsville and \$50,000 of the construction work (drafting, home office p.m., etc.) is performed by the Contractor solely in the Birmingham office. The amount of revenue to be include in "gross receipts" for the purpose of the Contractor's Birmingham license tax would be \$50,000.\**

*\*In this example, the contractor is not claiming any exemptions (i.e. any payments to any sub-contractors).*

***Businesses located within the city limits:*** The herein referenced business license tax schedule is applicable to businesses (taxpayers) qualifying under this business license schedule whose businesses and/or business office(s) are physically located within the city limits of Birmingham, Alabama, and perform the herein described contractor services within the City of Birmingham. The initial business license tax required under this schedule is subject to the Annualization of Business License (Ordinance No. 97-183, Article II, Section, 21.1, as amended).

***Businesses located outside the city limits, including the police jurisdiction:*** For businesses (taxpayers) not physically located within the city limits of Birmingham or its police jurisdiction, but that qualify for this business license schedule and perform the herein described contractor services within the City limits of the City of Birmingham, shall be required to purchase a business license and the business license shall be purchased in advance. The business license shall be based on the actual contract amount (i.e. gross receipts) for the total work to be performed within the city, and the business license amount shall be determined by the rates specified herein. If the construction project, for which the license specified herein was obtained, continues into subsequent business license tax year(s), a business license in only the minimum amount shall be required to be purchased in each such subsequent year(s). Amendments or revisions to the original contract amount upon which this license is based shall result in additional business license taxes becoming due. Any amendments to contract amounts resulting in a decreased business license amount shall require the business (taxpayer) petition the City of Birmingham for a refund of all overpayments pursuant to the business license code (Ordinance 97-183, as amended, Article II, Section 10).

***Additional business license requirements:*** Any licensed contractor shall furnish the Director of Finance (or the Director's designee), within fifteen (15) days of the request thereof, a written summary of the following for **each** sub-contractor performing, any work or service for the said contractor: (1) sub-contractor's name (including the d/b/a); (2) sub-contractor's business/ mailing addresses; (3) sub-contractor's contact telephone number(s); (4) sub-contractor's contract amount(s); (5) sub-contractor's

specialty classification(s) (i.e. masonry, concrete finishing, plumbing, etc.); **and** (6) sub-contractor’s City taxpayer identification numbers (if known by the contractor);. If a sub-contractor does not provide the contractor a City of Birmingham taxpayer identification number, the Contractor shall notify the City in the required summary. This summary information shall be provided for each sub-contractor performing work on a project in the City. These requirements are pursuant to the City of Birmingham Business License Ordinance No. 97-183, Article II, Section 35, as amended.

**SCHEDULE 068- CONTRACTORS (GENERAL)-**

Each person engaged in the business of constructing houses or buildings on contract, or who constructs two or more houses a year, whether on contract or otherwise, or who maintains an office in Birmingham used in connection with such construction services outside of Birmingham, where gross receipts for services performed inside the City of Birmingham from the previous year are:

Less than \$50,000.....	\$250.00
\$50,000 and less than \$70,000.....	\$350.00
\$70,000 and less than \$110,000.....	\$500.00
\$110,000 and less than \$160,000.....	\$750.00
\$160,000 and less than \$210,000.....	\$850.00
\$210,000 and less than \$260,000.....	\$975.00
\$260,000 and less than \$300,000.....	\$1,100.00
\$300,000 and less than \$500,000.....	\$1,150.00
\$500,000 and less than \$750,000.....	\$1,200.00
\$750,000 and less than \$1,000,000.....	\$1,300.00
\$1,000,000 and less than \$1,500,000.....	\$1,400.00
\$1,500,000 and less than \$2,000,000.....	\$1,500.00

**Plus** an amount equal to 1/10 of 1% of annual gross receipts in excess of \$2,000,000 not to exceed a license tax amount of \$25,000.00.

Contractor’s gross receipts will be determined based upon work done in the City limits of the City of Birmingham. This includes any work performed in the City of Birmingham for projects outside of the City. It does not include gross receipts for work performed outside of the City. For purposes of this schedule, the gross receipts shall be reduced by the amounts of gross receipts taxable by taxing authorities outside of the City of Birmingham city limits. Contractors gross receipts shall also exclude (i.e. deduct) the amount of payments made to sub-contractors for services performed by said sub-contractors, regardless of the sub-contractor’s office location.

*Example: Contractor has a construction project in Huntsville for a total contract amount of \$1,000,000.00 (1 million dollars). \$950,000 of the construction work is performed by the Contractor solely in Huntsville and \$50,000 of the construction work (drafting, home office p.m., etc.) is performed by the Contractor solely in the Birmingham office. The amount of revenue to be include in “gross receipts” for the purpose of the Contractor’s Birmingham license tax would be \$50,000.\**

*\*In this example, the contractor is not claiming any exemptions (i.e. any payments to any sub-contractors).*

***Businesses located within the city limits:*** The herein referenced business license tax schedule is applicable to businesses (taxpayers) qualifying under this business license schedule whose businesses and/or business office(s) are physically located within the city limits of Birmingham, Alabama, and perform the herein described contractor services within the City of Birmingham. The initial business license tax required under this schedule is subject to the Annualization of Business License (Ordinance No. 97-183, Article II, Section, 21.1, as amended).

***Businesses located outside the city limits, including the police jurisdiction:*** For businesses (taxpayers) not physically located within the city limits of Birmingham or its police jurisdiction, but that qualify for this business license schedule and perform the herein described contractor services within the City limits of the City of Birmingham, shall be required to purchase a business license and the business license shall be purchased in advance. The business license shall be based on the actual contract amount (i.e. gross receipts) for the total work to be performed within the city, and the business license amount shall be determined by the rates specified herein. If the construction project, for which the license specified herein was obtained, continues into subsequent business license tax year(s), a business license in only the minimum amount shall be required to be purchased in each such subsequent year(s). Amendments or revisions to the original contract amount upon which this license is based shall result in additional business license taxes becoming due. Any amendments to contract amounts resulting in a decreased business license amount shall require the business (taxpayer) petition the City of Birmingham for a refund of all overpayments pursuant to the business license code (Ordinance 97-183, as amended, Article II, Section 10).

***Additional business license requirements:*** Any licensed contractor shall furnish the Director of Finance (or the Director's designee), within fifteen (15) days of the request thereof, a written summary of the following for **each** sub-contractor performing, any work or service for the said contractor: (1) sub-contractor's name (including the d/b/a); (2) sub-contractor's business/ mailing addresses; (3) sub-contractor's contact telephone number(s); (4) sub-contractor's contract amount(s); (5) sub-contractor's specialty classification(s) (i.e. masonry, concrete finishing, plumbing, etc.); **and** (6) sub-contractor's City taxpayer identification numbers (if known by the contractor);. If a sub-contractor does not provide the contractor a City of Birmingham taxpayer identification number, the Contractor shall notify the City in the required summary. This summary information shall be provided for each sub-contractor performing work on a project in the City. These requirements are pursuant to the City of Birmingham Business License Ordinance No. 97-183, Article II, Section 35, as amended.

### **Schedule 069 – CONTRACTORS (HVAC)**

Each person contracting for or engaged in the business of installing or repairing air conditioning, furnaces, making furnace repairs, doing sheet and tin metal work, steam heating, hot water heating, and steam fitting, any one or all, where gross receipts for services performed within the City of Birmingham from the previous year are:

Less than \$50,000.....	\$250.00
\$50,000 and less than \$70,000.....	\$350.00
\$70,000 and less than \$110,000.....	\$500.00
\$110,000 and less than \$160,000.....	\$750.00
\$160,000 and less than \$210,000.....	\$850.00
\$210,000 and less than \$260,000.....	\$975.00
\$260,000 and less than \$300,000.....	\$1,100.00
\$300,000 and less than \$500,000.....	\$1,150.00
\$500,000 and less than \$750,000.....	\$1,200.00
\$750,000 and less than \$1,000,000.....	\$1,300.00
\$1,000,000 and less than \$1,500,000.....	\$1,400.00
\$1,500,000 and less than \$2,000,000.....	\$1,500.00

**Plus** an amount equal to 1/10 of 1% of annual gross receipts in excess of \$2,000,000 not to exceed a license tax amount of \$25,000.00.

**NO LICENSE WILL BE ISSUED to any heating and air conditioning contractor until applicant has obtained, and presented to the Revenue Division at the time of application or renewal, a current, valid State of Alabama Permit issued by the Certification Board of Heating and Air Conditioning Contractors.**

Contractor’s gross receipts will be determined based upon work done in the City limits of the City of Birmingham. This includes any work performed in the City of Birmingham for projects outside of the City. It does not include gross receipts for work performed outside of the City. For purposes of this schedule, the gross receipts shall be reduced by the amounts of gross receipts taxable by taxing authorities outside of the City of Birmingham city limits. Contractors gross receipts shall also exclude (i.e. deduct) the amount of payments made to sub-contractors for services performed by said sub-contractors, regardless of the sub-contractor’s office location.

*Example: Contractor has a construction project in Huntsville for a total contract amount of \$1,000,000.00 (1 million dollars). \$950,000 of the construction work is performed by the Contractor solely in Huntsville and \$50,000 of the construction work (drafting, home office p.m., etc.) is performed by the Contractor solely in the Birmingham office. The amount of revenue to be include in “gross receipts” for the purpose of the Contractor’s Birmingham license tax would be \$50,000.\**

*\*In this example, the contractor is not claiming any exemptions (i.e. any payments to any sub-contractors).*

**Businesses located within the city limits:** The herein referenced business license tax schedule is applicable to businesses (taxpayers) qualifying under this business license schedule whose businesses and/or business office(s) are physically located within the city limits of Birmingham, Alabama, and perform the herein described contractor services within the City of Birmingham. The initial business license tax required under this schedule is subject to the Annualization of Business License (Ordinance No. 97-183, Article II, Section, 21.1, as amended).

**Businesses located outside the city limits, including the police jurisdiction:** For businesses (taxpayers) not physically located within the city limits of Birmingham or its police jurisdiction, but that qualify for this business license schedule and perform the herein described contractor services within the City limits of the City of Birmingham, shall be required to purchase a business license and the business license shall be purchased in advance. The business license shall be based on the actual contract amount (i.e. gross receipts) for the total work to be performed within the city, and the business license amount shall be determined by the rates specified herein. If the construction project, for which the license specified herein was obtained, continues into subsequent business license tax year(s), a business license in only the minimum amount shall be required to be purchased in each such subsequent year(s). Amendments or revisions to the original contract amount upon which this license is based shall result in additional business license taxes becoming due. Any amendments to contract amounts resulting in a decreased business license amount shall require the business (taxpayer) petition the City of Birmingham for a refund of all overpayments pursuant to the business license code (Ordinance 97-183, as amended, Article II, Section 10).

**Additional business license requirements:** Any licensed contractor shall furnish the Director of Finance (or the Director's designee), within fifteen (15) days of the request thereof, a written summary of the following for *each* sub-contractor performing, any work or service for the said contractor: (1) sub-contractor's name (including the d/b/a); (2) sub-contractor's business/ mailing addresses; (3) sub-contractor's contact telephone number(s); (4) sub-contractor's contract amount(s); (5) sub-contractor's specialty classification(s) (i.e. masonry, concrete finishing, plumbing, etc.); **and** (6) sub-contractor's City taxpayer identification numbers (if known by the contractor);. If a sub-contractor does not provide the contractor a City of Birmingham taxpayer identification number, the Contractor shall notify the City in the required summary. This summary information shall be provided for each sub-contractor performing work on a project in the City. These requirements are pursuant to the City of Birmingham Business License Ordinance No. 97-183, Article II, Section 35, as amended.

**Schedule 070 - CONTRACTORS, HOUSE MOVERS AND/OR HOUSE WRECKERS**

Each person, firm or corporation contracting for or engaged in the business of moving houses or other similar structures and/or engages in demolition of houses, buildings, or other structures, whether actually doing the work or making contracts for the work to be done either by himself or by others where gross receipts for services performed within the City of Birmingham for from the previous year are:

Less than \$50,000.....	\$250.00
\$50,000 and less than \$70,000.....	\$350.00
\$70,000 and less than \$110,000.....	\$500.00
\$110,000 and less than \$160,000.....	\$750.00
\$160,000 and less than \$210,000.....	\$850.00
\$210,000 and less than \$260,000.....	\$975.00
\$260,000 and less than \$300,000.....	\$1,100.00

\$300,000 and less than \$500,000.....	\$1,150.00
\$500,000 and less than \$750,000.....	\$1,200.00
\$750,000 and less than \$1,000,000.....	\$1,300.00
\$1,000,000 and less than \$1,500,000.....	\$1,400.00
\$1,500,000 and less than \$2,000,000.....	\$1,500.00
<b>Plus</b> an amount equal to 1/10 of 1% of annual gross receipts in excess of \$2,000,000 not to exceed a license tax amount of \$25,000.00.	

(b) Where only an office is maintained in the City of Birmingham .....\$350.00

Contractor’s gross receipts will be determined based upon work done in the City limits of the City of Birmingham. This includes any work performed in the City of Birmingham for projects outside of the City. It does not include gross receipts for work performed outside of the City. For purposes of this schedule, the gross receipts shall be reduced by the amounts of gross receipts taxable by taxing authorities outside of the City of Birmingham city limits. Contractors gross receipts shall also exclude (i.e. deduct) the amount of payments made to sub-contractors for services performed by said sub-contractors, regardless of the sub-contractor’s office location.

*Example: Contractor has a construction project in Huntsville for a total contract amount of \$1,000,000.00 (1 million dollars). \$950,000 of the construction work is performed by the Contractor solely in Huntsville and \$50,000 of the construction work (drafting, home office p.m., etc.) is performed by the Contractor solely in the Birmingham office. The amount of revenue to be include in “gross receipts” for the purpose of the Contractor’s Birmingham license tax would be \$50,000.\**

*\*In this example, the contractor is not claiming any exemptions (i.e. any payments to any sub-contractors).*

**Businesses located within the city limits:** The herein referenced business license tax schedule is applicable to businesses (taxpayers) qualifying under this business license schedule whose businesses and/or business office(s) are physically located within the city limits of Birmingham, Alabama, and perform the herein described contractor services within the City of Birmingham. The initial business license tax required under this schedule is subject to the Annualization of Business License (Ordinance No. 97-183, Article II, Section, 21.1, as amended).

**Businesses located outside the city limits, including the police jurisdiction:** For businesses (taxpayers) not physically located within the city limits of Birmingham or its police jurisdiction, but that qualify for this business license schedule and perform the herein described contractor services within the City limits of the City of Birmingham, shall be required to purchase a business license and the business license shall be purchased in advance. The business license shall be based on the actual contract amount (i.e. gross receipts) for the total work to be performed within the city, and the business license amount shall be determined by the rates specified herein. If the construction project, for which the license specified herein was obtained, continues into subsequent business license tax year(s), a business license in only the minimum amount shall be required to be purchased in each such subsequent year(s). Amendments or revisions to the original contract amount upon which this license is based shall result in additional business license taxes becoming due. Any amendments to contract

amounts resulting in a decreased business license amount shall require the business (taxpayer) petition the City of Birmingham for a refund of all overpayments pursuant to the business license code (Ordinance 97-183, as amended, Article II, Section 10).

**Additional business license requirements:** Any licensed contractor shall furnish the Director of Finance (or the Director's designee), within fifteen (15) days of the request thereof, a written summary of the following for **each** sub-contractor performing, any work or service for the said contractor: (1) sub-contractor's name (including the d/b/a); (2) sub-contractor's business/ mailing addresses; (3) sub-contractor's contact telephone number(s); (4) sub-contractor's contract amount(s); (5) sub-contractor's specialty classification(s) (i.e. masonry, concrete finishing, plumbing, etc.); **and** (6) sub-contractor's City taxpayer identification numbers (if known by the contractor);. If a sub-contractor does not provide the contractor a City of Birmingham taxpayer identification number, the Contractor shall notify the City in the required summary. This summary information shall be provided for each sub-contractor performing work on a project in the City. These requirements are pursuant to the City of Birmingham Business License Ordinance No. 97-183, Article II, Section 35, as amended.

### Schedule 096 - ELECTRICIANS

Each person, firm or corporation doing business within the City of Birmingham as, or soliciting electric work:

Where one master or journeymen electrician is employed.....	\$75.00
Where two and less than three .....	\$180.00
Where three and less than six.....	\$250.00

**Persons, firms or corporations exceeding five (5) workers on any contract shall be required to purchase a General Contractors license in accordance with all taxes and requirements as referenced in the City of Birmingham Business License Code, 97-183, as amended.**

The average number of master or journeymen electricians employed in the preceding year shall afford the basis for computing the tax due hereunder which average number shall be determined as outlined in Schedule 201 of this Business License Code.

**NO LICENSE WILL BE ISSUED until the following has been obtained and presented to the Revenue Division at the time of application and/or renewal:**

- (1) A current, valid City of Birmingham Master Electrician's Certification Card.
- (2) A bond in the amount of \$10,000 executed on a bond form provided by the City of Birmingham Finance Department.

**Businesses located within the city limits:** The herein referenced business license tax schedule is applicable to businesses (taxpayers) qualifying under this business license schedule whose businesses and/or business office(s) are physically located within the city limits of Birmingham, Alabama, and perform the herein described services within the City of Birmingham. The initial business license tax



required under this schedule is subject to the Annualization of Business License (Ordinance No. 97-183, Article II, Section, 21.1, as amended).

***Businesses located outside the city limits, including the police jurisdiction:*** For businesses (taxpayers) not physically located within the city limits of Birmingham or its police jurisdiction, but that qualify for this business license schedule and perform the herein described services within the City limits of the City of Birmingham, shall be required to purchase a business license and the business license shall be purchased in advance. The business license shall be based on the actual contract amount (i.e. gross receipts) for the total work to be performed within the city, and the business license amount shall be determined by the rates specified herein. If the construction project, for which the license specified herein was obtained, continues into subsequent business license tax year(s), a business license in only the minimum amount shall be required to be purchased in each such subsequent year(s). Amendments or revisions to the original contract amount upon which this license is based shall result in additional business license taxes becoming due. Any amendments to contract amounts resulting in a decreased business license amount, the business (taxpayer) shall petition the City of Birmingham for a refund of all overpayments pursuant to the business license code (Ordinance 97-183, as amended, Article II, Section 10).

**SECTION 2.** The provisions of this ordinance are severable. If any provision, section, paragraph, sentence, or thereof, or the part application thereof to any person, shall be declared unconstitutional or invalid by a court of competent jurisdiction, such declaration shall not affect or impair the remainder of the ordinance, it being the legislative intent to ordain and enact each provision, section, paragraph, sentence, and part thereof, separately and independently of each other.

**SECTION 3.** This ordinance shall be effective on January 1, 2016.

Adopted by the Council October 6, 2015 and Approved by the Mayor October 13, 2015



A CERTIFIED COPY  
Lee Frazer, City Clerk  
Birmingham, AL  
*Lee Frazer*