

City of Huntsville, Alabama Important Contractor Tax Notice

The City of Huntsville collects Sales and Use Tax. As a City business licensee, you are responsible for knowing which taxes apply to you and your responsibilities concerning them. You are **strongly encouraged** to consult with your advisors or ask city representations about the specific effect of city taxes on your activities.

As a contractor, the services you perform inside the City of Huntsville are subject to sales and use tax, even if your business is not located in Huntsville.

Huntsville use tax must be paid on all taxable materials you purchase and use in your Huntsville activities, unless you have paid a city sales tax when you purchase materials in another city

- If you purchase materials inside Huntsville, you should pay sales tax, unless you provide the seller a valid exemption certificate.
- **If you purchase materials outside Huntsville and do not pay sales tax to another city, you probably should pay use tax to Huntsville.** This applies even if you pay state and county taxes.

The City Finance Department will set your business up to file a tax return AT LEAST once per year.

(During a Huntsville tax audit, it is likely you will be assessed for all taxes not paid during a three-year period, plus penalties and interest.)

Huntsville addresses - Transactions occurring inside the City are those that are subject to tax. It is YOUR RESPONSIBILITY to determine if a transaction occurs in the City. U.S. Post Office addresses do not indicate Huntsville's geographic boundaries. The City provides a Huntsville Address Locator, or assistance from the Planning Department.

Contractors Who Have Retail Sales. – The rules are complex, so if you purchase materials exempt from city sales tax for retail inventory purposes, paying use tax to Huntsville must be evaluated on materials used in contract activities you conduct in Huntsville.

Other Tax Topics You Should Learn More About

Applying for a Tax Account Number - The City Finance Department will set your business up to file a tax return AT LEAST once per year. It is your responsibility to determine the right time and amounts to file.

Tax filing requirements - Most tax forms and payments are due monthly.

Electronic tax filing and payment – City and Alabama taxes may be filed electronically, saving you considerable time and expense.

Business records - All licensees are required to keep records that clearly show all transactions subject to City privilege licenses and taxes. Businesses receiving primarily cash are especially encouraged to understand the requirements.

Visit this website for more information about City taxes: www.hsvcity.com/tax

Finance Department Tax Contacts

By Phone	(256) 427-5070 or (256) 427-5080
By Fax	(256) 427-5064
By Email	Tax@hsvcity.com
By Mail	City of Huntsville Finance Department P.O. Box 308, Huntsville, AL 35804-0308
In Person	City of Huntsville Finance Department 308 Fountain Circle, 4th floor, Huntsville, AL 35801

Inspection Dept. Use Only

Receipt Acknowledged

Licensee Signature