

GENERAL INFORMATION FOR PREPARING EMPLOYER'S OCCUPATIONAL TAX RETURNS

DUE DATE OF TAX. The tax imposed by Ordinance No. 97-184, the Occupational Tax Code of the City of Birmingham, shall be due and payable to the City monthly on or before the **twentieth (20th)** day of the month next following the end of each such monthly period; provided that, if the total amount deducted from payments made to or due all employees of an employer is less than fifty (\$50.00) dollars during each calendar month of the previous calendar year, then such employer may elect, for the current calendar year, to remit such deductions to the City for the quarterly periods on or before the **twentieth (20th)** day of the month next following the end of such quarterly period. The date of the United States postmark stamped on the cover in which a return or payment is mailed shall be deemed to be the date of delivery, or the date of payment, whether mailed to the Finance Department or to the department's designated depository.

UNTIMELY FILING. Any return or payment not received in accordance with the provisions of Section 5.4 of Ordinance No. 97-184 shall be deemed untimely filed and shall be assessed applicable penalties and interest, as prescribed by Section 13 of Ordinance No. 97-184. To avoid penalties, returns should be filed by the due date, and any tax amounts due should be timely paid. Please note that the penalties outlined in Section 13 include, but are not limited to, a penalty of 10% of the amount of tax due or \$50, whichever is greater, which may be assessed for failing to timely file returns.

PERSONS TAXED; PERSONS LIABLE. A license fee is imposed upon any person who engages in or follows any trade, occupation or profession within the City of Birmingham when the relationship between the individual performing the services and the person for whom such services are rendered is the legal relationship of employer and employee at the rate of **one percent (1%)** of compensation due such employee. An employee shall include, but not be limited to, both residents and nonresidents, an officer or partner of a corporation or firm if such officer or partner receives a salary for his personal services rendered in the business of such corporation, and governmental employees performing services within the City, pursuant to Section 2(a) of Ordinance No. 97-184, the Occupational Tax Code of the City of Birmingham. The tax so imposed shall be deducted from each payment due each employee by his/her employer. When a monthly or quarterly return is not filed by an employer and the occupational license fees are not paid to the City by such employer monthly, as required by Section 5.1 of Ordinance No. 97-184, the employee for whom no return has been filed and no payment has been made shall file a return with the Director of Finance on or before the **twentieth (20th)** day of the month next following the end of each such monthly or quarterly period.

WHERE WORK DONE OR SERVICES PERFORMED BOTH WITHIN AND/WITHOUT THE CITY. When compensation is earned as a result of work done or services performed both within and without the City, the occupational license fees required under Ordinance 97-184 shall be computed by determining upon the oath of the employer, or if required by the Director of Finance upon the oath of the employee, that percentage of the compensation earned from the proportion of the work which was done or performed within the City.

REQUEST FOR RULING ON DETERMINATION OF TAXATION. Any taxpayer may request a copy of the Occupational Tax Rules and Regulations which provides a general listing of items defined as gross receipts and compensation as well as a general listing of items not constituting gross receipts and compensation for any work done or personal services rendered in any trade, occupation, or profession within the City. In addition, any taxpayer may also request a ruling on the determination of whether items of compensation are to be included in or are not to be included in gross receipts and compensation as a measure of the taxes due and payable to the City. Such request shall be made in writing to the Finance Department, and shall contain all pertinent facts and documentation relating to the item(s) in question.

INSTRUCTIONS FOR PREPARING THE OCCUPATIONAL TAX RETURN (PR-1)

- ITEM 1:** Enter the total number of employees subject to Birmingham Occupational Tax.
- ITEM 2:** Enter total salaries, wages, commissions, incentive payments, bonuses, and other compensation paid to taxable employees during the period for which the return is prepared. If no salaries, wages, or other compensation were paid during the month, show "0" (zero) and return the form with an explanation.
- ITEM 3:** Enter the amount of compensation paid to taxable employees for services rendered outside the City of Birmingham.
- ITEM 4:** Determine the net taxable compensation (total gross compensation on line 2 minus total deductions on line 3) and enter the difference between items 2 and 3 on line 4.
- ITEM 5:** Compute tax by multiplying the net taxable compensation on line 5 by one percent (1%).

MAKE CHECKS PAYABLE TO: City of Birmingham

**MAIL TO: CITY OF BIRMINGHAM
REVENUE DIVISION
P.O. BOX 830638
BIRMINGHAM, ALABAMA 35283-0638**

Form P.R.-1

EMPLOYERS RETURN OF OCCUPATIONAL TAX WITHHELD

CITY OF BIRMINGHAM, ALABAMA

ORDINANCE NO. 97-184

(INSTRUCTIONS ON NEXT PAGE)

- * 1. NUMBER OF TAXABLE EMPLOYEES _____ MONTH OF _____
- ** 2. TOTAL SALARIES, WAGES, COMMISSION, AND OTHER COMPENSATION PAID ALL TAXABLE EMPLOYEES \$
- 3. LESS NON-TAXABLE ITEMS (COMPENSATION, PAID FOR SERVICES OUTSIDE OF BIRMINGHAM) (Please Attach Letter of Explanation)
- 4. TAXABLE EARNINGS (ITEM 2 MINUS ITEM 3)
- 5. ACTUAL WITHHELD IN MONTH AT 1% \$
- 6. Add PENALTY for failure to timely file 10% (minimum \$50.00) . \$
Add PENALTY for failure to timely pay 10% (minimum \$3.00) . \$
Add INTEREST of 1% per month \$
TOTAL AMOUNT OF PENALTIES AND INTEREST - Total of Item 6
- 7. TOTAL AMOUNT FOR WHICH REMITTANCE IS ATTACHED \$

I hereby certify that the information and statements contained herein and any schedules or exhibits attached are true and correct, for the month ending

MONTH _____ YEAR _____

SIGNATURE _____

OFFICIAL TITLE _____ DATE _____

A monthly return must be filed on or before the twentieth day of the next month.

Make check or money order payable to:
CITY OF BIRMINGHAM

Mail To:

City of Birmingham
P O Box 830638
Birmingham, Alabama 35283-0638

Empty box for stamp or signature.

If NAME or ADDRESS has changed, please complete "CHANGE OF TAXPAYER INFORMATION" form.

* Number of employees MUST be shown.
** If no wages were paid this month, mark "0" and return this form with explanation.

Form P.R.-1

EMPLOYERS RETURN OF OCCUPATIONAL TAX WITHHELD

CITY OF BIRMINGHAM, ALABAMA

ORDINANCE NO. 97-184

(INSTRUCTIONS ON NEXT PAGE)

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CITY OF BIRMINGHAM, ALABAMA

ORDINANCE NO. 97-184

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MONTH _____ YEAR _____

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OFFICIAL TITLE _____ DATE _____

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CITY OF BIRMINGHAM

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City of Birmingham
P O Box 830638
Birmingham, Alabama 35283-0638

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INSTRUCTIONS FOR PREPARING AND FILING FORM P.R.-1

Each employer of one or more persons must withhold an occupational tax at the rate of 1% from, gross salaries, wages, and commissions paid for work or services performed within the City of Birmingham. All employees are subject to the license tax except domestic servants employed in private homes.

MONTHLY RETURN

A monthly return must be filed and the tax paid by the twentieth day of the month following the close of the calendar month. An employer shall be liable to court action for failure to file a return and/or to pay the tax, or for filing a fraudulent return. Interest and penalties are provided for late filing.

- Item 1. Enter total number of employees subject to Birmingham occupational tax.
- Item 2. Enter total salaries, wages, commissions, incentive payments, bonuses and other compensation paid to taxable employees during the month for which the return is prepared. If no salaries, wages or other compensation were paid during the month, show "0" and return form with explanation.
- Item 3. Enter the amount of compensation paid to taxable employees for services rendered outside the City of Birmingham.
- Item 4. Represents the difference between Items 2 and 3.
- Item 5. Shall be the actual tax withheld at the rate of 1%.

**RECONCILIATION OF RETURNS OF BIRMINGHAM
OCCUPATIONAL TAX WITHHELD FROM WAGES
WITH WITHHOLDING STATEMENTS FOR**

CITY OF BIRMINGHAM, ALABAMA ID# _____

Year _____

ORDINANCE NO. 97-184

1. Total number of employees as represented by employee's statements (or list) transmitted herewith _____

W-2 FORMS MUST BE ATTACHED

Name, address of employer

2. Total Medicare Earnings from W-2's, Year-End Employee Earnings Statements, etc. _____

3. Total Birmingham Taxable Earnings _____

4. Difference (Line 2 minus Line3) _____

Visit the City of Birmingham's Official Website
www.informationbirmingham.com

5. SUMMARY

Month	W-2 Taxable Earnings (total must equal line 3)	W-2 Tax Withheld @ 1%	Tax Paid	Comments
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
TOTALS				

IMPORTANT NOTE: The original of this form must be filed on or before January 31st of the succeeding tax year. Any discrepancy (Line #4 above) between Total Medicare Earnings and the City of Birmingham Taxable Earnings must be fully explained in an attached statement. If the difference indicated is a balance due to the City, please enclose the payment herewith. If, on the other hand, the difference indicated is an overpayment of tax, you must submit herewith, or under separate cover, a formal request for a refund. Remittances should be made payable to "City of Birmingham" .

**Mail to: City of Birmingham
Tax and License Administration Division
710 N. 20th Street, Room TL-100
Birmingham, AL 35203**