

**NOTICE**  
**TO EMPLOYERS WITHHOLDING JEFFERSON COUNTY OCCUPATIONAL TAX**

December 15, 2010

On December 1, 2010, the Circuit Court of Jefferson County enjoined the collection of the County's Occupational Tax. On December 14, 2010, the Alabama Supreme Court issued an order directing the County to continue to collect the Occupational Tax during the County's appeal of the Circuit Court case and to pay the taxes collected into an escrow.

These Court Orders have created some confusion as to what employers need to be doing now in regard to collection and payment of County Occupational Taxes. The basic principle is that, with respect to all wages earned from today forward, employers in Jefferson County should continue to withhold and remit the Occupational Tax in accordance with prior practice. So, if you have already withheld and paid over Occupational Taxes to the County this month, you should simply continue to withhold and pay Occupational Taxes as you have been doing. Likewise, if you have not yet paid wages this month, simply withhold and pay County Occupational Taxes as usual for all periods this month during which you pay wages.

Some employers, however, may have paid wages this month but did *not* withhold County Occupational Taxes, on the basis of the Circuit Court Order temporarily halting collection of the Occupational Tax by the County. If you are one of those employers, simply return to your previous practice of collecting and remitting Occupational Taxes to the County for wages paid for the balance of this month. If collection of taxes becomes necessary for any payroll periods for which taxes were not withheld and remitted, the Revenue Department will notify you appropriately. In the meantime, retain your employee wage records for December to facilitate any future adjustments that may be necessary, which will depend on the final decision of the Courts.

We apologize for the inconvenience this may cause you, but the County Revenue Department believes the procedure outlined above will allow most employers to efficiently comply with the law and the Orders of the Supreme Court.

**JEFFERSON COUNTY REVENUE DEPARTMENT**