

## Addendum re: Certificates of Exemption

Act 2021-372 allows a Certificate of Exemption to be awarded for the purchase of building materials, construction materials and supplies, and other tangible personal property that becomes part of the structure that is the subject of a written contract for the construction of a highway, road, or bridge project entered into on or after January 1, 2022.

An application with instructions for the Sales and Use Tax Certificate of Exemption can be accessed [here](#), or you may apply online by logging into your My Alabama Taxes account. When applying via your My Alabama Taxes account, click on the “Other Actions” tab and locate the “Apply for a Certificate of Exemption for a Government Entity Project” link. (The application process is the same for general contractors and subcontractors). Certificates of Exemption will be issued first to the county, second to the general contractor and third to the subcontractor.

**Engineers are encouraged to include a statement in their Bid Announcement, Annual In Place Bid and Project Specific Contract documents specifying which projects, if any, will be eligible for the Certificate of Exemption.** For your reference, the following are suggested statements of declaration:

**If the bid is for an Annual In Place Contract, and the project will be eligible for the Certificate of Exemption, the following language is suggested:**

*This project will be eligible for a Certificate of Exemption as provided by Act 2021-372. Once a proceed order is issued, the contractor shall have 5 days to submit the Form ST-EXC 1 to the County.*

**If the bid is for a Project Specific Contract, and the project will be eligible for the Certificate of Exemption, the following language is suggested:**

*This project will be eligible for a Certificate of Exemption as provided by Act 2021-372. Once the low bidder is determined, the County will request a copy of the Form ST-EXC 1 prior to the award of the bid to the lowest responsible bidder. The contractor shall provide the County with the Form ST-EXC 1 within 48 hours of the County's request.*