

Summary
of
State Regulations
and
Taxes affecting
General Contractors

CAUTION

Information contained herein is based on State legislation and regulations in effect at time of publication. While believed to be substantially correct, no warranty as to accuracy or completeness is given or implied.

Municipal and County requirements are NOT as a rule covered.

Before taking any action contractor should check carefully with all administrative agencies concerned in order to be certain of having complete and up-to-date information on these matters.

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**85 John Street
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FOREWORD

The purpose of this publication is to indicate the existence and general nature of prequalification, licensing tax and other requirements affecting construction contracts in the respective states.

Information contained herein is intended solely as a *guide to further investigation*. Full texts of applicable laws and regulations should be examined by all contractors who contemplate crossing state lines for new business. Corporations, in particular, are urged to observe all entry requirements. Failure to qualify fully before beginning out-of-state operations may result in serious complications, including possible loss or impairment of legal rights.

Tax and other codes and ordinances of counties and municipalities are *not* as a rule included. Contractors should be diligent to seek information locally on these matters, especially with regard to county or municipal sales taxes and income taxes.

In addition, construction contractors should inform themselves, before entering a state, regarding any laws or regulations granting preference in award of public contracts to bidders domiciled in the state. Furthermore some states have enacted legislation providing for direct bidding by subcontractors and the awarding of separate contracts on state building projects; also some states require general contractors, bidding on certain state work, to submit the names of subcontractors whom they propose to, or will, use if they are awarded the contract.

Co-partnerships and joint ventures using fictitious names should ascertain registration requirements in foreign states.

The friendly and painstaking cooperation given by Public Officials everywhere in preparation of this Summary is gratefully acknowledged.

ALABAMA

PREQUALIFICATION *required* in order to bid on highway work.

CONTRACTOR'S LICENSE, *having the effect of Prequalification, required* before undertaking any projects, public or private, costing \$20,000 or more.

PREQUALIFICATION

Prospective bidders on highway work must prequalify with State Highway Department, Montgomery, Alabama. They must furnish sworn statements, on forms prescribed, giving detailed information with regard to financial resources, equipment, past record, experience of both the firm and personnel or organization, credit lines established with material and equipment houses, and any other information Department may deem necessary. Financial statements must be prepared either by CPA or independent licensed public accountants approved by the Highway Department. (CPA or accountant not needed for certificates under \$50,000.) Foreign corporations must obtain a certificate of authority to do business in Alabama from Secretary of State, Montgomery 36104, Alabama (fee \$1.50). This is needed for Highway Department qualification. It is not necessary for bidding only on Federal participating contracts.

Within 30 days after submission, if applicant is found to possess required qualifications, certificate of qualification will be issued, valid for not more than one year. Certificate will set forth amount of work applicant may be allowed to have under contract at any one time, and may specify types of work upon which applicant will be permitted to bid.

Once prequalification has been accomplished, the Highway Department can accept bids and make awards on work up to \$20,000 without a license being issued.

LICENSING

Contractors on both public and private work must obtain licenses before undertaking projects costing \$20,000 or more.

Licensing supervised by:

State Licensing Board for General
Contractors
Room 604
State Administrative Building
Montgomery, Alabama 36104.

Work performed for Federal government on government-owned land exempt. Also, exempt, construction of one-family residence or one-family private dwelling.

Application for license, on form prescribed by the Board, must be filed not less than 30 days prior to any regular or special meeting of Board and must be accompanied by a certified check for \$50. Renewal fee is \$35 per year, after qualification.

If application is satisfactory to the Board, applicant may be required to take examination to determine his qualifications. Examination may be oral or written or both and may cover, in addition to financial responsibility and past record, the qualifications of the applicant in reading plans and specifications, estimating costs, construction, ethics and other matters.

License, when and if issued, will stipulate type or types of work applicant is found qualified to perform, also setting out a letter symbol indicating the maximum limits on which he is permitted to bid or perform in a single contract.

STATE AND COUNTY PRIVILEGE LICENSE: In addition to the above license requirements, a State and County license must be obtained from the Probate Judge of the county in which the contractor maintains his principal office, or in which the contract is to be performed. Payment in one county of the State shall be sufficient. Cost, based on gross amount of contracts, ranges from \$15.50 to \$375.00.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Fee of \$10 for filing charter and \$10 for filing certificate designating statutory agent (Secretary of State).

ANNUAL CORPORATION FRANCHISE TAX: \$3.00 per \$1,000 on capital employed in State. If corporations qualify after July 1st of any year, a franchise tax for one-half year is required, or at rate of \$1.50 per \$1,000 on capital employed in State. (Department of Revenue.)

ANNUAL CORPORATION PERMIT FEE: Foreign corporation permit fee based on capital employed, on graduated scale. Schedule of payments on bottom of permit application form. (Department of Revenue.)

INCOME TAX: 5% on taxable net income from business within Alabama. Annual return required of every corporation qualified and doing business

in Alabama. Non-resident individuals, graduated scale, 1½%-5%, on net income in excess of allowable personal exemption. (Department of Revenue.)

GROSS RECEIPTS TAX: (Title 51, Section 596(1), Code of Alabama.) 5% of the gross receipts of contracts to construct, reconstruct, or build any public highway, road, bridge, or street, except contracts made with any incorporated city or town or contracts to which any county is a party. (Department of Revenue.)

SALES TAX: (Title 51, Sections 786(2)-786(36), Code of Alabama.) Sales tax is paid by all consumers, corporate or otherwise, at the rate of 4% on all items purchased within the State for consumption or use. Automobiles, both new and used, and machinery used in farming are taxed at 1½% of the net trade difference. Machinery used for mining and manufacturing is taxed at 1½% of selling price. (Department of Revenue.)

USE TAX: (Title 51, Sections 787-811, Code of Alabama.) Use tax is paid by all consumers, corporate or otherwise, at the rate of 4% on all items purchased outside the State but consumed or used inside the State. Automobiles, both new and used, and machinery used in farming are taxed at 1½% of the net trade difference. Machinery used for mining and manufacturing is taxed at 1½% of selling price. (Department of Revenue.)

RECIPROCITY: When property is imported into Alabama from a State which has entered into a reciprocal agreement with Alabama and a sales or use tax equal to or greater than the Alabama tax was paid in the other State, then such property will not be subject to Alabama use tax. If the amount of tax paid to the other State is less than the Alabama tax, then the difference must be paid to Alabama. (Department of Revenue.)

FUEL TAX: Gasoline, 7¢ per gallon, regardless of how used. Diesel fuel, 8¢ per gallon. Diesel tax applies only when used to operate motor vehicles over public highways. (Department of Revenue.)

ALASKA

PREQUALIFICATION *not required.*

CONTRACTOR'S REGISTRATION *required.*

PREQUALIFICATION

Prequalification was discontinued in 1967. (Department of Highways.)

LICENSING

A construction contractors registration law was enacted in 1966. On October 16, 1967 we were informed that construction contractors are now required to be registered. Fee for registration is \$100.00 for general contractors and \$50.00 for specialty contractors. Proof of bonding to the State and proof of liability and property damage insurance must also be submitted. A business license (fee \$25.00) still must be obtained from the Department of Revenue. (Division of Occupational Licensing, Department of Commerce.)

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATION: Foreign corporations must obtain Certificate of Authority. Application must show total capitalization and proportion allocable to Alaska, estimated gross income and proportion allocable to Alaska, and other pertinent data. Fee schedule, on capital up to and including \$100,000 or fraction thereof; over \$1,000,000 an additional \$10 for each \$1,000,000 or fraction thereof. (Commissioner of Commerce.)

ANNUAL CORPORATION FRANCHISE TAX: Tax \$50.00 domestic, \$100.00 foreign, payable on or before January 2nd, delinquent February 1st and subject to \$25.00 penalty fee. All annual reports due January 2nd and delinquent February 1st. (Commissioner of Commerce.)

BUSINESS LICENSE AND GROSS RECEIPTS TAX: Initial tax, \$25. Report of gross receipts due February 28th following, and annually thereafter. Tax based on volume of receipts. Less than \$20,000 gross receipts, \$25 (which is inclusive of initial tax). Gross receipts \$20,000 to \$100,000 $\frac{1}{2}$ of 1% of excess over \$20,000. Over \$100,000, \$400, plus $\frac{1}{4}$ of 1% of excess over \$100,000. (Commissioner of Revenue.)

NET INCOME TAX: Corporations, 18% of the amount of the federal tax due from income derived within State; Individuals, 16%, on same base. The base is the federal tax rates in effect on December 31, 1963. (Commissioner of Revenue.)

ANNUAL TAX ASSURANCE STATEMENT AND BOND: All non-resident corporations and individuals must file sworn statements, on or before June 1st of each year, setting forth, among other things, their estimated gross receipts for current tax year, estimated payroll for same period, estimated total amount of taxes and fees due State, description and estimated market value, if any, of all real property owned in Alaska, upon

which unpaid taxes and fees could become first lien and description and estimated fair market value of any resources severed or taken from Alaska during period. Where property subject to tax lien is less than twice estimated amount of taxes and fees to be due, bond must be furnished in amount equal to twice taxes and such fees, minimum bond \$1,000, or the full amount of the total estimated taxes may be prepaid. Non-resident must also notarize Commissioner of Commerce as authorized to accept service on behalf of taxpayer in suits for collection of taxes and fees. (Commissioner of Revenue.)

FUEL TAX: 8¢ per gallon, highway use, on gasoline and diesel fuel. Refunds are obtainable for some uses. (Commissioner of Revenue.)

ARIZONA

PREQUALIFICATION *required* in order to bid on highway work.

LICENSE *required* in order to bid on any work. (See below.)

PREQUALIFICATION

Under regulations of the Arizona State Highway Commission, contractors desiring to bid on State highway work must prequalify.

Applicants must submit a statement of experience and financial condition on forms supplied by the Arizona State Highway Commission. The forms must be fully completed, and the Financial Statement made by a certified or licensed public accountant. Prequalification must be filed not later than 15 days prior to the date set for opening bids.

This information is good for fifteen months after its date, but right is reserved by the State to request additional information on current assets and liabilities. The contractor also may be required to show the amount contracted subsequent to the date of his Financial Statement, and to furnish a list of available equipment.

Prequalification is complete when this information has been approved by the Commission and the contractor holds a valid license. On Federal-aid projects license from the Arizona Registrar of Contractors is not required for submission of bids or consideration of award, but will be required to complete the award of contract.

Communications regarding prequalification should be addressed to:

State Highway Engineer
Attention: Division of Contracts and
Specifications
Arizona Highway Department
206 S. 17th Ave.
Phoenix, Arizona 85007

LICENSING

Title 32, Chapter 10, Arizona Revised Statutes, requires all contractors to be licensed before doing work or submitting bids on work in the State. Fees range from \$75 to \$150. Bids are permissible on Federal Aid Highway Construction without first securing an Arizona Contractors license. However, an Arizona license must be secured for such work prior to executing any contract or performing any work.

To obtain a license under this Act the applicant must remit the required fee and submit, upon such forms as the Registrar of Contractors shall prescribe, a duly verified application including (1) a complete statement of the general nature of his contracting business, giving the names of principals or officers of the organization (2) if a foreign corporation, a statement showing that the corporation is qualified to do business in the state (3) the certification of two reputable citizens of the county in which the applicant resides, that he is of good reputation, recommending that license be granted, and containing the statement that the applicant desires the issuance of a license under the terms of the Chapter and (4) a contractor's license bond in an amount ranging from \$1,000 to \$15,000 depending upon type of license, or in lieu of bond a cash deposit may be made with State.

An applicant must be of good reputation and must show, by written examination, experience in the kind of work he proposes to contract and a general knowledge of the building, safety, health and lien laws of the State, administrative principles of the contracting business and of the rules and regulations promulgated by the Registrar of Contractors pursuant to this Chapter.

A foreign corporation, before applying for a license, must have maintained both an office and a residence for one or more of its principals in the State for at least 90 days prior to date of application, except that office and residency requirements may both be waived to correspond with any such requirements imposed by applicant's home State upon Arizona residents seeking similar licenses in such State.

The Examinee may be the individual applicant, member of a co-partnership, corporate officer or

responsible managing employee of the applicant.

The application must be complete in every detail before filing. When a satisfactory completed application has been filed the applicant will be notified of the time and place of the written examination. After the applicant has passed the examination, his name and address and the names of those associated with him are publicly posted for 20 days prior to issuance of the license. The license will either be issued or refused within 60 days from the date of filing application.

All contractors must have licenses issued in names under which they do business. Licensees are required to notify the Registrar of a change of address. Failure to so notify could result in the loss of license if a citation was not timely received. Applicant must secure privilege sales tax license.

All licenses expire June 30th of each year but are renewable on or before July 30th of the same year. Unless renewed by that date licenses will be suspended. Reinstatement for the balance of the fiscal year would involve payment of a double renewal fee.

Application forms and detailed information available from:

Registrar of Contractors
1818 W. Adams St.
Phoenix, Arizona 85007

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Total fees for filing (including one agent), \$65. Non-profit corporations, fee, \$25. (State Corporation Commission.)

ANNUAL CORPORATION REPORT FEE: For profit \$25 and non-profit fee \$5.00. (State Corporation Commission.)

INCOME TAX: Foreign and domestic corporations, graduated scale, from 2% on first \$1,000 to 8% on net income in excess of \$6,000. Individuals, graduated scale, from 2% on first \$1,000 to 8% on net income in excess of \$6,000. Joint returns, graduated scale from 2% on first \$2,000 to 8% on net income in excess of \$12,000. (State Tax Commission. Income Tax Division.)

GROSS RECEIPTS TAX (SALES TAX): General contractors pay 3% on gross receipts, less amounts paid for labor and subcontractors. Subcontractors pay 3% on gross receipts, less amount paid for labor. Labor costs not inclusive of fees for

LICENSING

Contractors including subcontractors on both State and private work must obtain license *before bids are submitted*, if individual projects amount to \$20,000 or more.

Licensing supervised by:

Contractors Licensing Board
Room 350, Gazette Bldg.
Little Rock, Arkansas 72201

Application for license, on forms prescribed by the Board, must be accompanied by a payment of \$75 and be submitted at least 30 days prior to any regular or special meeting of the Board. License expires on June 30th of each year. Renewal is by application, with renewal fee, maximum \$100 to be determined by the Board. (Presently \$25.)

In determination by the Board of the applicant's qualifications, the following are considered: "(a) experience, (b) ability, (c) character, (d) the manner of the performance of equipment, previous contracts, (e) financial condition, (f) ability and willingness to conserve the public health and safety, (g) any other fact tending to show and (h) default in complying with the provisions of this Act, or any other law of the State."

Recipients of certificates of license must record same with the Secretary of State with the date of recording to be shown thereon. Until such recording holders of license certificates shall not exercise any of the rights or privileges conferred thereby. Failure to record within 60 days of date of issuance shall invalidate the certificate of license. Fee, \$1.00.

License NOT required where contractor bids on or performs contracts for Federal Government, on Government land. Sub-contractors, however, must be licensed. License NOT required for BIDDING on Federal Aid Highway Projects with the Arkansas State Highway Department but the bidder receiving an award of contract must be licensed before a contract may be executed. License NOT required for builders of single family residences.

Out-of-state contractor is required to post a corporate surety bond or a cash bond with the county tax collector of each county in which the contractor is performing a contract to guarantee the payment of personal property taxes which may become due from said contractor.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Filing required of copy of 1. Copy of Articles of Incorporation and all amendments filed to date, certified by the State of origin, 2. Statement, under oath of president and secretary, showing: a. address of principal place of business in State of origin, b. statement of assets, liabilities and the amount of its capital employed in Arkansas, c. number and par value of authorized capital shares, including number issued and outstanding, d. value of property owned and used in Arkansas, and everywhere, e. proportion of issued and outstanding stock represented by business transacted in and out of Arkansas.

Filing fee based on capital stock represented by property and business in the State: \$15 for such stock up to \$100,000; \$1 additional for each \$10,000 of such stock from \$100,001 to \$1,000,000; \$1 additional for each \$20,000 of such stock from \$1,000,001 to \$10,000,000 or over. Minimum, \$15. Foreign corporations must maintain offices in State and appoint authorized agents upon whom process may be served. Fee for appointment of process agent, \$3.

Anti-trust affidavit, forms supplied by Secretary of State. No. filing fee for this affidavit. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX: Out-of-state corporations must file Franchise Tax Report on or before April 1st of each year showing condition as of January 1st next preceding, or, if newly organized or qualified, as of date of organization or qualification. Tax rate 11/100 of 1% on subscribed capital stock represented by property used in State. Minimum, \$11. Payable August 10 of each year. (Assistant Director of Finance and Administration for Revenues, Department of Finance and Administration.)

COMPENSATING (USE) TAX: 3% on tangible personal property procured from without the state. Allows credit for similar taxes paid in other states with similar reciprocal provisions. Non-resident contractors are required to register with the Assistant Director of Finance and Administration for Revenues prior to the performance of a contract and to deposit 5% of the amount of the contract or provide a surety bond in an amount approved by the Assistant Director of Finance and Administration for Revenues to guarantee the payment of the compensating tax due the State. (Assistant Director of Finance and Administration

for Revenues. Department of Finance and Administration.)

GROSS RECEIPTS (SALES) TAX: 3% of gross receipts from taxable sales. (Assistant Director of Finance and Administration for Revenues. Department of Finance and Administration.)

INCOME TAX: Foreign corporations, graduated scale from 1% on first \$3,000 to 6% on taxable net income over \$25,000 earned within the State. Non-resident individuals, graduated scale from 1% on first \$2,999 or less to 7% on taxable net income over \$25,000. (Assistant Director of Finance and Administration for Revenues, Department of Finance and Administration.)

FULE TAX: Gasoline 8½¢ per gallon, with refund of 6½¢ per gallon for agricultural purposes to those who qualify and secure a permit. Diesel fuel, tractor fuel, kerosene, butane, etc., are non-taxable products with the exception of the 3% sales tax when used off the highways. Diesel fuel is taxable at the rate of 9½¢ per gallon when used to propel vehicles over the highways. LP Gases are taxable at the rate of 7½¢ per gallon when used to propel vehicles over the highways. Domestic users of LP Gas are subject to flat fee, license, tag fees. (Department of Finance and Administration, Tax Division, Motor Fuel Section.)

CALIFORNIA

PREQUALIFICATION required in order to bid in State work in excess of \$50,000.

LICENSES required of general and sub-contractors bidding on projects of \$100 or more, public or private, with exceptions noted below.

PREQUALIFICATION

Contractors bidding on State work costing over \$50,000 must pralify with the Department of Transportation, the Department of Water Resources, or the Department of General Services, in accordance with provisions of Article 4 of Chapter 3, Part 5 of Division 3, Title 2 of the Government Code.

The standard form, "Contractor's Statement of Experience and Financial Condition," may be obtained from the:

Disbursing Office

Department of Transportation
1120 N Street
Sacramento, California 95814

Mail all statements to the Department of Transportation when the statement is for:

Department of General Services
Department of Transportation
Department of Water Resources

Mail statements to:

Department of Transportation
P. O. Box 1139
Sacramento, California 95805
Attn: Disbursing Office
(Please mark envelope confidential)

LICENSING

Contractors on both State and private work must obtain license, with exceptions noted, *before* bids are submitted.

Chapter 9 of Division III of the Business and Professions Code requires all contractors, including both general and sub-contractors to be licensed.

"The Board may adopt rules and regulations necessary to effect the classification of contractors in a manner consistent with established usage and procedure as found in the construction business and may limit the scope of the operations of a licensed contractor to those in which he is classified and qualified to engage.

"Under rules and regulations adopted by the Board and approved by the director, the registrar may investigate, classify and qualify applicants for contractors' licenses by written examination."

Application for license is made on forms prescribed by the Board. Application fee for original license is \$50; also an initial license fee of \$60 if license is to run more than a year and \$30 if less than a year. A financial statement prepared by an independent certified public accountant or an independent public accountant showing applicant's net worth as exceeding \$1,000 is required. Applicant must also file or post \$2,500 bond or cash deposit as a condition to the issuance of a license. Licenses expire on June 30 of each odd-numbered year. Fee is not proratable.

License is NOT required for any construction, alteration, improvement or repair carried on within the limits and boundaries of any site or reservation, the title of which rests in the Federal Government, nor to bid on or receive contract award on any state project involving Federal funds. However, before initial payment for work done on such contracts can be obtained there must

be certification by State License Board that license has been issued.

Licensing supervised by:

Registrar of Contractors (Appointed by
Contractors State License Board)
1020 N Street, Room 579
Sacramento, California

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Filing fee of \$357, including incidental fees. Prepayment of first annual minimum franchise tax of \$200 required before qualification papers may be filed. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX: 7% on "measure of tax." "Measure" defined as income considered derived from California sources. (Franchise Tax Board.)

INCOME TAX: Corporation, 7.6% on income considered derived from California sources. Non-resident individuals, graduated scale, % to 11%, on taxable income derived within the state. Residents, graduated scale, 1% to 11% on entire taxable income. (Franchise Tax Board.)

SALES AND USE TAX: 4¾% state (3¾% effective October 1, 1973 through March 31, 1974) on selling price of tangible personal property purchased from a retailer, bought within or brought into the state for use or consumption. There is also a ¼% county and local sales and use tax. In the San Francisco Bay Area Rapid Transit District (comprised of Alameda, Contra Costa and San Francisco) there is an additional ½% tax. (State Board of Equalization.)

FUEL TAX (Gasoline and Use Fuel Tax): Gasoline, 7¢ per gallon. Tax refundable on non-highway use upon application, within thirteen months, to State Controller, Use fuel tax, 7¢ per gallon on diesel (6¢ per gallon on liquefied petroleum gas). by highway use only, payable to State directly by user who must obtain permit from the State Board of Equalization. Natural gas tax, 6¢ per liquid gallon or 7¢ per 100 cubic feet of compressed natural gas when use as a motor vehicle fuel. (State Board of Equalization.)

COLORADO

PREQUALIFICATION required in order to bid on highway work.

CONTRACTOR'S license *not* required.

PREQUALIFICATION

Before submitting bids on highway work contractors must prequalify with Division of Highways at least 10 days before letting.

Application for prequalification is made by filing the standard form, "Experience, Equipment and Financial Statement," with the Chief Engineer, Division of Highways, 4201 E. Arkansas Ave., Denver, Colorado 80222.

The certificate of a certified public accountant will be required in all cases where the contractor desires to qualify for work in excess of \$75,000. Bonds required on all public works contracts over \$1,000. See CH. 86-7-4 through 86-7-7, CRS 1963. Also see STANDARD SPECIFICATIONS, Division of Highways \$6 per copy.

LICENSING

There is no State law requiring contractors bidding on Federal or State highways to be licensed by the State of Colorado.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Application for Certificate of Authority, made in duplicate, must attach one certified copy of Articles of Incorporation and all amendments from parent state, home address of corporation, name and address of registered agent in Colorado, names and addresses of officers and directors, full data on capital structure, and other pertinent data. Filing fee, \$60. License fee of \$50 at the time of qualifying. (Secretary of State.)

ANNUAL CORPORATION LICENSE FEE: Annual report required on or before May 1st. Annual license fee, \$100. Filing fee, \$5. After May 1st a late filing fee of \$10 is added. (Secretary of State.)

SALES AND USE TAX: License is required only of contractor intends to operate in the dual role of a "retailer contractor," per State of Colorado Sales and Use Tax Regulations "Contractors Rule." 3% on all sale to "users-consumers" of tangible personal property and on such property imported for use within State. General and sub-contractors deemed "users-consumers" and subject to either sales or use levy. Construction jobs with the United States Government are subject to sales or use tax on all materials purchased unless an exemption certificate is obtained from the department of revenue prior to any work being done under the contract. No immunity attaches to a contractor's purchases of

tangible goods merely because the goods will be "built in" by the contractors to structures which are to be used by or become the property of the Federal Government or other tax exempt organizations. (Department of Revenue, Sales and Use Tax Section.)

INCOME TAX: Corporations, 5% of net income earned in State. Non-resident individuals, graduated scale on income earned in State. Allocation may be determined by formula adopted by 1964 Legislature or under "Multistate Tax Compact" adopted in 1968 for taxable years beginning after July 1, 1968. (Department of Revenue, Income Tax Section.)

FUEL TAX: 7¢ per gallon. No refund for non-highway use in construction equipment other than stationary engines and motor vehicles not operated on the highway at any time during the calendar year. (Department of Revenue, Motor Fuel Tax Section.)

CONNECTICUT

PREQUALIFICATION required in order to bid on highway work.

CONTRACTOR'S LICENSE not required.

PREQUALIFICATION

Contractor's Statement Form No. CON. 16 is required by Department ruling of all parties desiring to qualify for Department of Transportation work; information required includes statement of type of organization and names of officers or principals, financial statement, description of equipment and performance record of the organization and experience outline of its key personnel. The statement of any organization having assets of over \$50,000 must be prepared by a Registered Public Accountant. This form ordinarily is submitted on a yearly basis; new submissions must be received not less than ten days before a request for bid sheets.

Additionally, a current sworn Affidavit, on the Department's form, showing value of all work to be completed as well as pending bids must be on file with the Department before a contractor's request for bid sheets can be considered.

Each request for project bid sheets is considered individually on the basis of the Contractor's Statement, his Affidavit, and the Department's actual experience with the contractor; his qualifications then are determined for that particular project. Bid sheets are not transferable.

Forms may be obtained from Connecticut Department of Transportation, Wethersfield, the mailing address is P. O. Drawer A, Wethersfield, Conn. 06109.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: License fee of \$100 plus \$20 filing fee of Application of Certificate of Authority. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX (Annual License Fee Foreign Corporations to do Business in Connecticut): \$100 per year plus filing fee of \$16 for annual report listing officer's and directors. (Secretary of State.)

CORPORATION BUSINESS TAX: Corporations, 8% on net income earned in State; or one quarter of one mill per dollar on the beginning and end of year average of issued and outstanding capital stock, surplus, and surplus reserves reduced by the average value of holdings of stock of private corporations; or \$50, whichever is greater. (Tax Commissioner.)

SALES AND USE TAX: 6½% on sales of materials, supplies and motor vehicles, whether used in the performance of a contract (Use Tax) or sold at retail (Sales Tax).

Use Tax also applies to materials, supplies and motor vehicles or other equipment bought outside Connecticut for use within the State.

Materials and supplies are exempt only if they are physically incorporated in the become a permanent part of the projects being performed under a contract with an exempt agency, such as Federal, State and Municipal governments or charitable and religious organizations. In such exempt purchases contractor must furnish his suppliers with a completed certificate for each project in the form prescribed in Regulation 18 of the Tax Department. (Tax Commissioner.)

GASOLINE TAX: 10¢ per gallon, with a provision for refund when gasoline is used other than in a motor vehicle licensed or required to be licensed to operate upon the public highways of this state; provided proper application is made within 1 year from the date of purchase, and contains at least 100 gallons of gasoline eligible for tax refund. (Tax Commissioner.)

DELAWARE

PREQUALIFICATION *required* on highway work.

LICENSE *required* of all contractors doing business in the State.

PREQUALIFICATION

To be qualified each bidder must submit at least every two years, on the standard forms of the Department, sworn statements as to his experience, organization, construction equipment and financial resources. These statements may be submitted in March, April, or May of each year and qualification, if granted, will be valid to May 31, of the second succeeding calendar year.

Written request may be made to the Director at any time for further qualification because of changed conditions or estimated cost of a project. The Department also reserves the right to request new qualification statements from any bidder at any time.

Bidders may qualify at other times during the year provided such statements are properly executed and submitted. Prequalification approval shall be made by the Director within 10 days of the submission, and bidders may submit bids immediately. Bidders must be prequalified in order to receive unconditional bidding documents.

Before awarding the contract, a bidder may be required to show that he has the ability, experience, necessary equipment, experienced personnel and financial resources to successfully carry out the work required by the contract. (Department of Highways and Transportation.)

LICENSING

Licensing of contractors is for revenue only. No examination for license is required.

Any resident contractor desiring to engage in business in this State as a contractor shall obtain a license upon making application to the Division of Revenue and paying a fee of \$30, proof of said license compliance to be made prior to, or in conjunction with, the awarding of a project to which he has been named.

Any nonresident contractor desiring to engage in business in this State as a contractor shall be subject to the same requirements as a resident contractor except that, in addition, a nonresident shall be required to obtain a license for each single

project in which the gross amount of that project is in excess of \$1,000, said license to be obtained, and proof of said license compliance to be made prior to, or in conjunction with, the awarding of each single project to which he has been named; and shall, as a condition to obtaining a license for each such project, post a bond equal to double the amount of the gross payment under the contract for such project multiplied by the rate set forth in the next paragraph. The bond shall be entered upon such terms and conditions as shall be set forth in the regulations promulgated by the Director of the Division of Revenue.

In addition to the license fee, every contractor shall pay an annual license fee in quarterly installments payable on or before the first day of each of the months of November, February, May and August of each year at the rate of $\frac{1}{2}\%$ of the aggregate gross receipts paid to such contractor during the next preceding respective 3 month period ending on the last day of the months of September, December, March, and June of each year. The license fee imposed for each 3 month period referred to in the previous sentence shall be an amount equal to the excess of: (1) a fee imposed at the rate set forth in the previous sentence on the aggregate sum of all gross receipts paid to such contractor for the 3 month period for which the quarterly installment is due and each of the preceding 3 month periods to which the license is applicable, over (2) a fee imposed at the rate set forth in the previous sentence on the aggregate gross receipts paid to such contractor during each of the 3 month periods to which the license is applicable preceding the 3 month period for which the installment is payable. The quarterly installments shall be accompanied by a certified statement on such forms as the Department of Finance shall require of all quarterly gross receipts included in computing the fee due.

Notwithstanding the provisions of the above paragraph, the license fee attributable to gross receipts paid to such contractor under contracts entered into prior to July 1, 1969, shall be payable on a quarterly basis and computed in the same manner as provided in the above paragraph, except that the rate shall be $\frac{1}{10}\%$ of the first \$100,000 of the annual gross receipts and $\frac{1}{20}\%$ of all annual gross receipts in excess of \$100,000.

Every architect, or mechanical engineer or general contractor engaging in the practice of such profession shall furnish to the Department of Finance within 10 days after any contract in the preparation or plans for which they were engaged or entered into with a contractor or subcontractor

not a resident of this State, a statement of the total value of such contract or contracts together with the names and addresses of the contracting parties. Failure to furnish each such statement shall subject each architect or mechanical engineer or general contractor to a penalty of \$25 which shall be collected and paid in the same manner as provided for the collection of delinquent licenses as provided in this title.

Every architect or mechanical engineer or general contractor engaging in the practice of such profession, before the payment of any award or amount payable to any contractor or subcontractor not a resident of this State, shall ascertain from said non-resident contractor or subcontractor of the Department of Finance, whether he has obtained a license and satisfied his liability to the State under this chapter, and if said license liability paid by the non-resident contractor or subcontractor, the architect or mechanical engineer or general contractor shall deduct from the award of amount payable to said non-resident contractor or subcontractor the amount of said license liability and shall pay same to the Department of Finance within 10 days after final payment and settlement with the non-resident contractor or subcontractor. Failure to ascertain the payment of license liability of any contractor or subcontractor not a resident of this State, by any architect or mechanical engineer or general contractor, in accordance with this section, shall render the architect or mechanical engineer or general contractor personally liable for the license liability of the non-resident contractor or subcontractor.

Licensing is under the supervision of:

Department of Finance
Division of Revenue
601 Delaware Avenue
Wilmington, Delaware 19899

License is NOT required where contractor performs contracts for Federal Government, on Government land.

Non-resident contractors and subcontractors must within 15 days after construction is begun file a surety bond with the Department of Finance, payable to the State of Delaware, to guarantee the payment of State income taxes, State Occupational or Business Licenses, unemployment compensation contributions and income taxes withheld from wages of employees, together with any penalties and interest thereon. The amount of the surety bond shall be 3% of the contract or subcontract price on all contracts of \$50,000 or

more, or 3% of contractor's or subcontractor's estimated cost-and-profit under a cost-plus contract of \$50,000 or more. When the aggregate of 2 or more contracts in 1 calendar year is \$50,000 or more, the amount of the bond or bonds shall be 3% of the aggregate amount of such contracts. If the Department concludes that no bond is necessary to protect the tax revenue of this State, the requirements of this section may be waived by the Secretary of Finance, or his designated departmental representative.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Entrance fee of \$50; receiving, filing and indexing \$25; issuing certificate \$10. (Secretary of State.)

INCOME TAX: Domestic and foreign corporations, 7.2% effective July 7, 1973 on taxable income derived from business carried on in State, plus a surcharge of 20% of the tax due on taxable income earned for the period August 1, 1971 through June 30, 1973. Individuals, graduated rate 1½% to 18%. (Department of Finance.)

FUEL TAX: Gasoline 9¢ per gallon. Special fuel 8¢ per gallon. Refund of tax on fuels used off the highway is obtainable upon proper application and proof of such use. (Department of Finance.)

DISTRICT OF COLUMBIA

PREQUALIFICATION *not* required in order to bid.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

It is not necessary to prequalify in order to bid. Low bidders on public work may be required to demonstrate capacity to handle work before contracts are awarded.

LICENSING

There is no District of Columbia law requiring contractors to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Foreign corporations must obtain certificate of authority. Application must be on form provided for purpose and accompanied by recent certified copy of charter or Articles of Incorporation, with amendments duly certified by proper

authority in home state, and designation of local resident, individual or corporation, who can be sued. Registered office of corporation in D. C. must be business address of designated agent. Filing fee, \$22. (Superintendent of Corporations.)

FRANCHISE TAX: Corporations, 7% (8% for years beginning on or after January 1, 1974) of net income, no exemptions. Unincorporated businesses, 7% (8% for years beginning on or after January 1, 1974) of net income above \$5,000 and reasonable salary allowance not in excess of 20% of net income. Minimum franchise tax is \$25 for each return whether or not there is any net income. Declaration of estimated franchise tax required if tax exceeds \$1,000 for the taxable year. (Department of Finance and Revenue, Tax Audit and Liability Division. Payments to D. C. Treasurer.)

INCOME TAX: Individuals, 2%–10% after personal exemptions and deductions. Withholding by employers required. Declaration of estimated tax required on income not subject to withholding. (Department of Finance and Revenue, Tax Audit and Liability Division. Payments to D. C. Treasurer.)

SALES AND USE TAX: 5% on the sale price or rental value of tangible personal property. The contractor may be deemed to be either a vendor or purchaser (consumer), depending on the type of contract and the use of the material.

On contracts with any semi-public institution holding a valid exemption certificate, or with the U.S. Government or District Government, or instrumentalities thereof, the contractor may purchase such materials and supplies as are to be physically incorporated in and become real property without payment of the tax, and shall not charge any such institution, government or instrumentality of such government, reimbursement for any sales or use taxes thereon. Any other type of materials taxable. Contractors, on exempt purchases, must furnish their suppliers with a contractor's Exempt Purchase Certificate. Products such as lumber for forms and materials used in performance of repair or service contracts not exempt.

Tangible personal property purchased by a contractor pursuant to a contract with a foreign government or with a public utility for the construction, repair or alteration of real property is not exempt from the tax. (Department of Finance and Revenue, Tax Audit and Liability Division. Payments to D. C. Treasurer.)

FUEL TAX: 8¢ per gallon. (Department of Finance and Revenue, Tax Audit and Liability Division. Payments to D. C. Treasurer.)

FLORIDA

PREQUALIFICATION required in order to bid on State highway work.

CONTRACTOR'S LOCAL OCCUPATIONAL LICENSE required. In addition "building contractors" required to be certified.

PREQUALIFICATION

Prequalification for bidding on highway work is by application to Florida Department of Transportation, Tallahassee, Florida, on a standard form, "Application for Qualification."

Each contractor is given a specified classification and a maximum rating which is the total amount of uncompleted work he will be permitted to have under contract at any one time.

LICENSING

Chapter 72-306, Acts of 1972 repealed the Combined State and County Occupational License Tax and authorized counties and incorporated municipalities to levy a Local Occupational License Tax. (Department of Revenue.)

In addition to the above Local Occupational License, Chapter 67-110, Acts of 1967, requires persons engaged in the business of building construction and contracting to be registered with or certified by the Florida Construction Industry Licensing Board.

TAXES AND FEES

ADMISSIONS OF FOREIGN CORPORATIONS: Entrance fee based on amount of authorized capital stock represented by capital to be employed in the State. Par value stock—\$4 per thousand through \$125,000; \$1 per thousand for \$125,001 through \$1,000,000; 50¢ per thousand for \$1,000,001 through \$2,000,000; and 25¢ per thousand above \$2,000,000. No par value stock—50¢ per share through 1,250 shares; 75¢ per share for 1,250 shares; 75¢ per share for 1,251 through 10,000 shares; 1/20 of 1¢ per share for 10,001 through 20,000 shares; and 1/40 of 1¢ per share above 20,000 shares. Minimum tax \$30.00.

In addition there are fees for filing such document as articles of incorporation, amend-

ments, dissolutions, and other revisions or changes in corporate status. (Secretary of State.)

INCOME TAX (Corporate Franchise Tax): 5% of net income (Department of Revenue.)

SALES TAX: 4% on retail sales of tangible personal property. NO exemptions for contractors irrespective of for whom work is being performed. (Florida Department of Revenue.)

USE TAX: 4% on tangible personal property, including contractors' materials and equipment. Motor vehicles, 4% on purchase, 4% if rented. (Florida Department of Revenue.)

FUEL TAX: 8¢ per gallon on gasoline, whether for highway or non-highway use. Other fuels taxed at 8¢ only when transferred to fuel tanks of motor vehicle. (Florida Department of Revenue.)

GEORGIA

PREQUALIFICATION *is* required.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

The State Department of Transportation, State of Georgia adopted and promulgated Rules and Regulations pertaining to Prequalification of all Contractors desiring to bid on projects of said Department. The effective date for implementation of the Regulations was June 4, 1965. All contractors desiring to obtain proposals for bidding on Department of Transportation Projects must comply with said Rules and Regulations prior to receiving proposals to bid. Forms for Prequalification may be obtained from the Prequalification Office, Department of Transportation, 2 Capital Square, Atlanta, Georgia 30334.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: \$5 registration fee and \$100 filing fee. Certified copy of charter and all amendments thereto required. Both fees payable in advance. Filing fee for subsequent amendments, \$10. Annual recording fee, \$5. (Secretary of State.)

ANNUAL FOREIGN CORPORATION FRANCHISE TAX (LICENSE TAX): Based on proportionate share of capital and surplus

employed in State. Graduated scale ranging from \$10 on capital and surplus totaling \$10,000 or less to \$5,000 on \$22,000,000 or more of taxable capital and surplus. Tax return to be filed with income tax return. (State Revenue Commissioner.)

SALES AND USE TAX: 3% of sale price of tangible personal property bought in State; 3% of cost price or fair market value, whichever is the lesser, of tangible personal property bought outside the State and brought into Georgia; 3% of cost price or fair market value of tangible personal property furnished by a person for whom a contract is being performed, if sales or use tax has not been paid in Georgia; 3% of gross charges for lease or rental of tangible personal property, including machinery and equipment. Credit is allowed against Use Tax for sales and use taxes legally imposed and paid in another state, provided the state to which the tax was paid grants credit for like tax paid in Georgia.

Fulton and DeKalb Counties levy a 1% sales and use tax (Rapid Transit Tax for the use of the Metropolitan Atlanta Rapid Transit Authority).

Prime contractors must withhold 2% from sums paid to subcontractors until furnished with a release (Form S & UT 214-5) by the Department of Revenue. Out-of-state subcontractors are required to register and post bond to insure payment of taxes. Prime contractors must notify Department of Revenue on form provided for purpose, within ten days of executing any contract with subcontractors.

Department of Revenue, Sales and Use Tax Unit, will furnish additional information upon request.

INCOME TAX: Corporations—6% on net income from property owned or business done in State; see Section 92-3102. State and Federal income taxes paid not deductible from gross income. (Income Tax Unit, Department of Revenue.)

Individuals—on a sliding scale, 1%-6%, applied to taxable net income from business or employment within the State. (Income Tax Unit, Department of Revenue.)

FUEL TAX: Gasoline, 7½¢ per gallon, kerosene, diesel fuel, and L.P.G., 7½¢ per gallon. Refund provisions for the first 6½¢ when used for farm use and watercraft on the intercoastal waterway. Aviation gasoline exempt all except 1¢ when sold to a duly licensed aviation gasoline dealer. (State Revenue Commissioner.)

HAWAII

PREQUALIFICATION *may be required* to bid on all public work.

LICENSE *required* to bid on all work except Federal-aid highways.

PREQUALIFICATION

State law requires that prospective bidders file written notice of intention to bid at least six days before date of opening. To determine the financial and technical competency of prospective bidders, the contracting officer in charge may request any prospective bidder to submit answers to questions contained in the Standard Qualification Questionnaire for Prospective Bidders on Public Works Contracts. Complete and notarized answers must be made prior to date set for opening of bids. If deemed satisfactory bids will be received. See Section 103-25, Hawaii Revised Statutes.

LICENSING

All prospective bidders on public or private work, with the exception of Federal-aid highways where federal regulations applicable, must be licensed. Application forms obtainable from Professional & Vocational Licensing Division.

Licenses issuable in three classes—(1) General Engineering, (2) General Building, (3) Specialty.

License fees—Classes (1) and (2) \$200, Class (3) \$100. Responsible managing employee for Classes (1) and (2) \$200, Class (3) \$100.

Licensing year ends April 30th, prior to which date renewal required. Renewal fees—Classes (1) and (2) \$75, Class (3) \$25. Responsible managing employees, all classes \$25.

License required on Federal-aid projects prior to performance of work.

Residence requirement:

- 1 year for individuals
- 2 years for responsible managing employee

Licensing supervised by

Professional & Vocational Licensing
Division
Department of Regulatory Agencies
P. O. Box 3469
Honolulu, Hawaii 96801

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: All foreign corporations must be

domiciled. For requirements contact Department of Regulatory Agencies, Box 40, Honolulu, Hawaii.

GENERAL EXCISE (GROSS INCOME) TAX: Rate, 4% on gross income of contractors. Deductions for subcontracting permitted. Licenses must be secured, annual fee \$2.50. Monthly returns due. "The general excise tax rate on contracting increased to 4% effective July 1, 1965. This tax rate increase will not apply on any contracts entered into before June 21, 1965. Also, all the other activities tax rate increased from 3½% to 4% effective July 1, 1965. The monthly returns are to be filed and paid on or before the end of the month instead of the 20th. The annual returns are due April 20th instead of March 20. Payments may be made on a quarterly basis if the tax liability will not exceed \$500 per year." (Director of Taxation.)

USE TAX: Rate, 4% on fair value of tangible personal property imported for use, consumption or storage, if purchased from source not subject to General Excise Tax law. One-half percent (½%) on materials imported by a contractor to be incorporated into finished work or project required by the contract. (Director of Taxation.)

NET INCOME TAX: Corporations, 5.85% on net income up to \$25,000, 6.435% above. Individuals, graduated scale from 2.25% on first \$500 of net income, after personal exemptions, up to 11% on net income over \$30,000. (Director of Taxation.)

FUEL TAX: 8 cents to 10 cents per gallon on gasoline, and on diesel oil for highway use. 1 cent per gallon diesel oil for non-highway use and aviation fuel. (Director of Taxation.)

IDAHO

PREQUALIFICATION is effected through operation of Public Works Contractors License Act.

LICENSE *required* of contractors and subcontractors on public works contracts in excess of \$1,000.

PREQUALIFICATION

Contractors desiring to bid on public work must prequalify by obtaining a license.

LICENSING

The Act provides that it shall be unlawful for any person to engage in the business or act in the

capacity of a public works contractor within this state without first obtaining and having a license therefor. . . unless such person is particularly exempted as provided in this Act, or for any public works contractor to subcontract in excess of eighty per cent of the work under any contract to be performed by him as such public works contractor according to the contract prices therein set forth, unless otherwise provided in the specifications of such contracts or to sublet any part of any contract for specialty construction, as defined in the Act, to a specialty contractor who, at or before the time of the original bid opening, was not licensed in accordance with this Act; provided, however, that no contractor shall be required to have a license under this Act in order to submit a bid or proposal for contracts for public works financed in whole or in part by federal aid funds, but at or prior to the award and execution of any such contract by the State of Idaho, or any other contracting authority mentioned in the Act, the successful bidder shall secure a license as provided in this Act.

In the above "person" means any individual, firm, co-partnership, corporation, association or other organization or combination thereof acting as a unit.

Application for license shall be on form prescribed by the Public Works Contractors State License Board, shall include complete statement with regard to applicant's contracting business experience, qualifications, description of work completed during preceding 3-year period, description of machinery and equipment owned, statement of financial condition, and other pertinent data including evidence of good character and reputation.

Applications shall be sworn to and filed at least 30 days in advance of consideration by Board, whose meetings shall be on a day not later than the fifteenth day of the month in each of the months of January, April, July and October and at such other times as Board may designate. Applications shall specify class of license desired. AAA, AA, A, B, or C, and be accompanied by appropriate fee.

CLASS AAA—covering contracts for public works with an estimated cost of more than \$250,000. Fee, \$100; renewal, \$100.

CLASS AA—covering contracts for public works with estimated cost of not more than \$250,000. Fee, \$80; renewal, \$80.

CLASS A—covering contracts for public works with estimated cost of not more than \$100,000. Fee, \$60; renewal, \$60.

CLASS B—covering contracts of not more than \$50,000. Fee, \$40; renewal, \$40.

CLASS C—covering contracts of not more than \$25,000. Fee, \$20; renewal, \$20.

Licensing year ends June 30th.

Qualifications to be demonstrated by applicant for a license are as follows:

"Such degree of experience, and such general knowledge of the building, safety, health and lien laws of the State, and of the rudimentary administrative principles of the contracting business, as may be deemed necessary by the Board for the safety and protection of the public. The applicant, if an individual, may qualify as to the aforementioned experience and knowledge by personal appearance or by the appearance of his responsible managing employee, and if a co-partnership or corporation, and any other combination or organization, by the appearance of the responsible managing officer or member of the personnel of such applicant. If the person qualifying by examination as to experience and knowledge shall, for any reason whatsoever, cease to be connected with the licensee to whom the license is issued, such licensee shall so notify the Board in writing within ten (10) days from such cessation. If such notice is given, the license shall remain in force for a reasonable length of time, to be determined by rules of the Board; provided, however, that if such licensee fails so to notify the Board within said ten (10) day period, then at the end of such ten (10) day period, the license of such licensee shall be automatically suspended. A suspended license shall be reinstated upon the filing with the Board of an affidavit executed by the licensee or a member of the suspended firm, to the effect that the individual originally examined for the firm has been replaced by another individual who has been qualified by examination as herein provided, and who shall not have had a license suspended or revoked for reasons that should preclude him from personally qualifying as to good character as herein required of an applicant."

Licensing is supervised by:

Public Works Contractors State License
Board
110 No. 27th Stret
Boise, Idaho 83706

License is NOT required where contractor bids or performs contracts for Federal Government, on Government land.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Entrance fee on graduated scale, from \$20 on authorized capital stock of \$25,000 or less to \$200 on authorized capital stock over \$1,000,000. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX (CORPORATE LICENSE FEE): Varies from \$20 to \$300, according to amount of authorized capital stock. Fee payable in advance. (Secretary of State.)

INCOME TAX: Corporations, 6½% on all net taxable income earned in State. Individuals, graduated scale, 2%-7½% on net taxable income earned in State. Under opinion of Attorney General, March 17, 1950, it is declared a responsibility of contracting units, under Sections 63-1503 and 63-1504, Idaho Code, where public works are concerned, to require out-of-State contractors, unless tax bond has been posted, to provide evidence that the requirements of the Income Tax Law have been complied with before final settlement is approved. Withholding requirements also in effect. (State Tax Commission, Income Tax Division.)

SALES TAX: The contractor is the user of the materials and is subject to 3% sales tax on all materials going into the improvement of real property. Labor involved in installing me would not be subject to the Idaho sales tax. Contractors are required to register with the State Tax Commission. (Sales Tax Division, State Tax Commission.)

FUEL TAX: 8½¢ per gallon on all motor fuels. Refund for non-highway use available, from State Tax Commission, under proper application filed with the State Tax Commission, Motor Fuels Division within 1 year of purchase or not at all. (Motor Fuels Division, State Tax Commission.)

ILLINOIS

PREQUALIFICATION *required* in order to bid on Department of Transportation work including highways, waterways, airports, and highway work with MFT funds awarded by local agencies.

CONTRACTOR'S LICENSE *not* required. (see below.)

PREQUALIFICATION

State of Illinois, Department of Transportation, requires contractors desiring to bid on highway,

waterway, and airport work to submit a "Contractor's Statement of experience and financial condition" from which the contractor is rated and prequalified.

LICENSING

There is no State law requiring contractors to be licensed. However, foreign corporations must be licensed to do business in Illinois prior to the execution of a contract.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Filing fee of \$75, plus a license fee of 1/20 of 1% of the stated capital and paid-in surplus allocated to this state on the basis of business and property within the State, as compared to the business and property everywhere (minimum, \$1,000 stated capital and paid-in surplus); and a franchise tax of 1/10 of 1% of the stated capital and paid-in surplus allocated to this State on the basis of business and property within the State, as compared to the business and property everywhere, with a minimum initial tax of \$25, which varies monthly from 18/12 to the amount of tax or minimum in January to 7/12 thereof in December. (Secretary of State.)

SALES TAX (RETAILERS' OCCUPATION TAX AND USE TAX): Rate, after October 1, 1969, 4%. In addition, many municipalities and counties can impose a tax of 1% maximum. Exempt are purchases of building materials and fixtures for construction contracts for governmental bodies (Federal, State, local or foreign) and "exclusively" charitable, religious or educational organizations or institutions.

Tangible personal property bought outside the State and used therein for building purposes is subject to the Use Tax (same rate as Occupation Tax).

Construction contractors incur direct retailers' occupation tax liability when selling any kind of tangible personal property within installation for use or consumption.

FUEL TAX: 7½¢ per gallon, subject to refund, upon proper application, when fuel is consumed in non-highway use. (Department of Revenue.)

INCOME TAX: Corporations, 4% on net income. Individuals, 2½%. Withholding by employers required. (Department of Revenue.)

INDIANA

PREQUALIFICATION *required* in order to bid on Highway Commission road, bridge and maintenance work, and on all other public work, except state college and university work, costing \$20,000 or more.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

Prospective bidders on Highway Commission work, except for the purchase of material, equipment and supplies and for the construction of buildings, must prequalify with Indiana State Highway Commission, State Office Building, Indianapolis, Indiana. Information required, on forms to be provided, includes detailed financial statement and outline of experience and available equipment. Financial statement must be prepared by CPA or Indiana licensed PA, and all material submitted sworn to. Contractors will be rated according to types and amounts of work they are deemed qualified to perform. Any subcontractor for work costing more than \$25,000 must also be prequalified.

On all other public work, except state college and university work, costing more than \$5,000 and less than \$20,000, same type of information must be presented to awarding authority, along with and as part of bid. On such work costing more than \$20,000, prospective bidder must prequalify with Public Works Division, Department of Administration, State Office Building, Indianapolis, Indiana, presenting same type of information. Any subcontractor for work costing more than \$20,000, must also be prequalified.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed. However, foreign corporations must be authorized to do business in Indiana before they may be awarded contracts for such work.

TAXES AND FEES

INCOME TAX: Any corporation doing business in Indiana is required to compute its Indiana income tax under both the Gross Income Tax Act and the Adjusted Gross Income Tax Act. The corporation will pay the greater of the two taxes, applying payments made under either act against the ultimate amount due.

The Gross Income Tax rates are 1.9% and .475

of 1%, depending upon the character of receipts. The Adjusted Gross Income Tax rate is 3%.

Annual tax returns are required under both the Gross and Adjusted Gross Income Tax Acts. Computation of both taxes is combined on a single tax return, the Indiana Corporation Income Tax Return, Form IT-20.

Any corporation whose Gross Income Tax liability exceeds \$25,000 per quarter is required to file a Quarterly Gross Income Tax Return, Form IT-6, within 30 days after the close of the quarter.

The due date for the annual Indiana Corporation Income Tax Return is the 15th day of the fourth month following the close of the taxable year. (Department of Revenue.)

SALES AND USE TAX: 4% on taxable sale and on purchase price of property bought during taxable year. (Department of Revenue.)

WITHHOLDING: Employers of one or more employees are required to withhold up to 2% from gross pay of employees with zero exemptions. The Gross Income Tax (at the rate of 2%) is required to be withheld from payments to a non-resident contractor. (Department of Revenue.)

FUEL TAX: 8¢ per gallon on all motor fuels, with refund on gasoline for non-highway use available upon proper application. (Department of State Revenue, Motor Fuel Tax Division.)

IOWA

PREQUALIFICATION *required* in order to bid on highway work.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

By regulation of the State Highway Commission contractors desiring to bid on State highway work must prequalify. Application for prequalification must be submitted on a standard form entitled "Iowa State Highway Commission Contractors' Financial-Experience-Equipment Statement," available from Iowa State Highway Commission, Ames, Iowa.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORA-

TIONS: Certificate of Authority required to do business in State. Fee, \$20. (Secretary of State.)

ANNUAL FRANCHISE TAX: Annual reports must be filed on or before March 31st. Fee based upon money and property in use in Iowa, or on amount of stated capital in home State, as preferred. Minimum, \$5. (Secretary of State.)

SALES AND USE TAX: Contractor is considered the "consumer" of all material used to fulfill a construction contract (public and private sponsored) and pays sales or use tax at the rate of 3% on all material. Tax is not collected by the contractor, as a separate item, over and above the contract amount.

Use tax is due on the contractor's own machinery and equipment, if purchased for use in Iowa. Credit is allowed for sales, use, or occupational tax correctly paid in another state. (Department of Revenue, Sale and Use Tax Division.)

INCOME TAX: CORPORATIONS:

1. First \$25,000 of taxable income, or any part thereof, the rate of 6%.
2. Taxable income between \$25,000 and \$100,000, or any part thereof, the rate of 8%.
3. On taxable income of \$100,000 or more, the rate is 10%.
4. 50% Federal Tax allowable as deduction.

INDIVIDUALS:

1. General withholding on residents and non-residents effective 1-1-66.
2. Graduated scale of rates from ¼% to 7%.
3. Out of state tax credit for Iowa residents.

(Department of Revenue, Research and Statistics Division.)

FUEL TAX: 7¢ per gallon on all motor fuel, with refund available, upon proper application, for non-highway use. 8¢ per gallon special fuel (diesel engine) and 7¢ per gallon on LP gas used or sold for purpose of propelling motor vehicles on highways of State. Purchases by Federal Government and State of Iowa exempt. (Department of Revenue, Research and Statistics Division.)

KANSAS

PREQUALIFICATION *required* in order to bid on highway work.

CONTRACTOR'S LICENSE *not required*, but

certain contractors may be required to register and furnish bond to assure payment of taxes.

PREQUALIFICATION

Prequalification on highway work is by the State Highway Commission, Topeka, Kansas.

Prospective bidder must submit to the Commission, once a year, and at such other times as Commission may designate, but in any event at least seven days prior to date set for opening of bids, "a complete statement of his financial condition, equipment, experience and organization, on forms provided for that purpose." The contractor's financial statement must show his net worth and must be certified to by a certified public accountant holding an unrevoked certified public accountant's certificate in Kansas or in any State which has a reciprocity agreement with the State of Kansas. The certification by a certified public accountant may be waived where the contractor's net worth is less than \$5,000 or where contractor does not desire a qualification of over \$100,000.

Contractors are classified according to the type of work they are qualified to undertake and rated on the amount of work in dollars allowable in any one or more classifications of work which the bidder may have under contract at any one time.

LICENSING

There is no law requiring contractors bidding on or performing work in the State to be licensed.

However, K.S.A. 79-1008 et seq. requires every non-resident contractor required to register any contract, as defined, before entering into the performance of such contract to file a bond of not less than \$1,000 conditioned that all taxes (including contributions due under the Employment Security Law) accruing to the State or subdivisions thereof will be paid when due; to cover all contracts to be performed in current calendar year. (Director of Revenue.)

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Filing fee of \$50 plus fee of \$20 for certificate of authority.

ANNUAL CORPORATION FRANCHISE TAX: \$1 per \$1,000 of corporation's shareholder's equity attributable to Kansas. Minimum \$20, maximum \$2,500. (Secretary of State.)

SALES TAX: 3% on retail sales. ½% local sales tax on retail sales in cities of Manhattan, Lawrence and Topeka. (Director of Revenue.)

USE TAX: 3% on purchases brought into State. (Director of Revenue.)

INCOME TAX: Corporations, 4½% on net income from business in State plus surtax of 2½% of such income in excess of \$25,000; non-resident individuals, graduated scale on income derived from sources within State; resident individuals, graduated scale on all income, 2%-6½%. (Director of Revenue.)

FUEL TAX: Gasoline, 7¢ per gallon, propane and butane, 5¢ per gallon, when used on the highways. Refund permits allow non-highway users of gasoline, who purchase 40 gallons or more from licensed distributors, to obtain a refund of the tax, permits to be obtained from the county clerk of the county in which the applicant resides or maintains a place of business. Special fuels, including diesel, taxed at 8¢ per gallon when used on the highways. (Director of Revenue.)

KENTUCKY

PREQUALIFICATION *required* of prime and subcontractors in order to bid on highway work.

LICENSING, as such, *not required*, but effected through prequalification.

PREQUALIFICATION

"Rules and Regulations Relating to the Pre-Qualifications of Contractors" effective March 30, 1968, adopted by the Highway Department pursuant to KRS 176-140, establishes procedure for prospective bidders on highway work. Contractors desiring to procure a Certificate of Eligibility shall submit an application and financial statement forms provided by the Department information relating to the following: (A) Ability to perform types of work for which eligibility is requested, (B) Construction experience resume of the principal officers and key personnel of the organization, (C) Description of plant and equipment, (D) Balance sheet and financial statement prepared as of the close of the last fiscal year, or to reflect the current financial status of a newly established organization, (1) The financial statement of applicants desiring eligibility in excess of \$100,000 must be audited and attested by an independent public accountant who holds a valid registration card from the Kentucky State Board of Accountancy or a registration card in the State in which the principal office of the contractor is located, (2) The financial statement of applicants desiring eligibility of \$100,000 or less shall be signed by the

person preparing the statement and by a principal officer of the organization, (E) Other information deemed necessary by the Department to indicate the applicant's capacity and ability to complete highway projects.

The Department shall make a determination of eligibility within 30 days after the receipt of the application unless an applicant certifies that he proposes to bid on a specific federal-aid project being advertised within the 30-day period, in which event the Department shall make a determination of eligibility within 15 days.

All Certificates of Eligibility shall terminate not later than 120 days after the end of the applicant's fiscal year unless suspended or revoked. Ninety days of this period is to permit the applicant to file a new application in accordance with Section II of this regulation. Thirty days is for the Department's review of the application and, if approved, the issuance of a new Certificate of Eligibility.

The Certificate of Eligibility in effect as of the bid opening date shall constitute the basis for determining the eligibility of the bidder. (Department of Highways, Division of Contract Controls, Frankfort, Kentucky).

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATION: Fee for filing application and issuance of Certificate of Authority, \$35. Annual report, \$5. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX (LICENSE TAX): 70¢ on each \$1,000 of capital employed allocated to the State. Minimum, \$10. (Department of Revenue.)

INCOME TAX: Corporate, 4% on first \$25,000 taxable net income, 5-8% on balance; individual, 2% on first \$3,000 net income graduated to 6% on excess over \$8,000. \$20 tax credit for each exemption. Federal Income Tax deducted in arriving at Kentucky net taxable income (individuals only, not allowed for corporations). (Department of Revenue.)

SALES AND USE TAX: 5% on most tangible personal property sold or consumed in State. (Department of Revenue.)

PROPERTY TAXES: State rate of 15¢ per \$100 on tangible personal property, and 25¢ per \$100 on

intangible personal property located in Kentucky as of January 1 of each year.

Tangible personal property subject to local tax rate. Real estate subject to State rate of 1½¢ per \$100 and full local rate. As of January 1, 1966, all property by court directive is required to be assessed at fair cash value (100%). (Department of Revenue.)

FUEL TAX: 9¢ per gallon all motor fuels with additional 2¢ where used in equipment having three or more axles. (Department of Revenue and Department of Motor Transportation, respectively.)

LOUISIANA

PREQUALIFICATION—see below.

CONTRACTOR'S LICENSE required to bid on most public and private work in excess of \$30,000.

PREQUALIFICATION

Prior to submitting a bid, the bidder may be required to file an experience questionnaire and a confidential financial statement which shall be certified to by a certified public accountant. The statement will include a complete report of the bidder's financial resources and liabilities, equipment, past record, and personnel.

Bidders intending to consistently submit proposals shall prequalify at least once a year. However, prequalification may be changed during that period upon the submission of additional favorable reports or upon unsatisfactory performance. (Department of Highways.)

LICENSING

Act 113, 1964, requires contractors on both public and private work in amounts exceeding \$30,000, with certain exceptions, to be licensed. Exceptions include private residential work, federal aid projects and projects for public utilities subject to regulation by State Public Utilities Commission. However, successful bidders on last two named shall, before start of work, secure license and pay fee. They must also comply with terms and provisions of Act and with Rules and Regulations of State Licensing Board created by Act.

Application for license shall be accompanied by statement outlining financial condition, experience and all pertinent facts bearing on applicant's responsibility. Board will rate success-

ful applicants on basis of types of work upon which they may be permitted to bid. Board meets twelve times annually (monthly).

Foreign corporations are required to secure a certificate of authority to do business as a corporation in the State before a license can be issued. Secured through office of Secretary of State. Surety bond or cash deposit sufficient to pay all unemployment compensation taxes accruing to State must be filed with Administrator, Division of EMPLOYMENT Security, Department of Labor.

License fee, \$100. License year ends December 31st. Renewal required on or before first Tuesday of following January.

Licensing supervised by:

State Licensing Board for Contractors
Suite 907, State Office Building
150 Riverside Mall
Baton Rouge, Louisiana 70801

Act 476, 1968, requires nonresident contractors, except foreign corporations authorized to do business in the state, to register with the collector of revenue each contract in excess of \$1,000 and file a bond in a sum of not less than \$1,000, conditioned upon the payment of all taxes, including contributions due under the employment security law, which may accrue to the state and to political subdivisions thereof on account of the execution and performance of such contract or contracts.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Certified original copy of charter and any amendments thereto must be filed. Fee schedule: base charge for each document, including the "application for Certificate of Authority", \$5; filing and recording charter and amendments, \$1 per page; certificate showing such filing and recording, \$5; payment of authorization tax, based on proportion of its authorized capital stock employed in the state, \$10 or \$50 if the aggregate par value exceeds \$25,000 or the number of no par value shares exceeds \$10,000. Forms furnished by Secretary of State. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX: \$1.50 per \$1,000 of capital stock, surplus, undivided profits and borrowed capital allocable to State. Allocation formula based on arithmetical average of (1) ratio net sales and other revenue attributable to Louisiana to total and (2) ratio value property and assets situated or used in Louisiana to value everywhere. Taxable base shall not be less than assessed value of real and personal property

located in Louisiana. (See Sec. 606 of Title 47, Chap. 5, Revised Stats. of 1950, as amended.) Minimum, \$10. (Collector of Revenue.)

SALES AND USE TAX: 3% on sales and on purchases brought into State. However, food purchased for personal consumption off the premises where purchased and drugs prescribed by a physician or dentist for personal consumption are taxable at the rate of 2%. (Collector of Revenue.)

INCOME TAX: Corporations, 4% on net income derived within State; non-resident individuals, graduated scale on income from sources in State. (Collector of Revenue.)

OCCUPATIONAL LICENSE TAX: Levied on all contractors doing business in Louisiana. Fee based on gross annual receipts in accordance with graduated rate schedules. Contractors on cost-plus basis are covered by Section 387, with rate schedule in Section 349, of Title 47 of the Louisiana Statutes of 1950, Revised; those on lump sum basis under the rate schedule of Section 377. Copy of the Act and application forms available from: Collector of Revenue, Occupational License Tax Division, Baton Rouge 1, Louisiana. This license is in addition to licensing required by the State Board for Contractors. (Collector of Revenue.)

LOCAL TAXATION: Parishes (counties) and municipalities are authorized to levy sales and use and occupational license taxes, and local school boards are authorized to levy sales tax. Many do, and contractors should seek information locally, including New Orleans and Baton Rouge.

FUEL TAX: 8¢ per gallon on all motor fuels. No refunds for non-highway use by contractors. (Collector of Revenue.)

MAINE

PREQUALIFICATION *not* required in order to bid.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

There is no law or regulation requiring prequalification for bidding on any work in the State. On State highway work, the Department of Transportation makes whatever investigation of contractors it deems necessary and may request statements of financial condition, equipment and experience before contracts are awarded. Such a

statement must be filed with the bid of any contractor who has not been awarded a contract during the previous five-year period.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Fee for filing application for authority, \$30. (Department of State.)

ANNUAL CORPORATION FEE: Fee for filing annual report, \$10. (Department of State.)

SALES AND USE TAX: 5% of sale or purchase price of tangible personal property sold in the State or purchased outside the State for use or consumption within the State. Materials and supplies are exempt when consumed in performance of a contract with an exempt agency, such as Federal, State, County and Municipal governments, hospitals, schools, or churches, only when such materials or supplies are to be physically incorporated in and become a permanent part of the real estate of the exempt agency. (State Tax Assessor.)

INCOME TAX: Individuals, applies as of July 1, 1969. Based upon federal adjusted gross income, less deductions and exemptions. Graduated scale from 1% on first \$2,000 to 6% on taxable income over \$50,000. Non-resident taxable only with respect to income derived from sources within Maine. Credit for income taxes paid to another state by a resident. Withholding of taxes and returns required. Corporations, applies as of January 1, 1969. 4% of "Maine net income" (taxable income under the Federal income tax law, or that portion of such income allocated or apportioned to Maine); through June 30, 1973; 4% plus 2% surtax or taxable income over \$25,000, July 1, 1973 to December 31, 1973; 5% plus 2% surtax on taxable income over \$25,000 effective January 1, 1974. Estimated payments of tax are not required. More detailed information may be obtained from:

Income Tax Division,
Bureau of Taxation,
State Office Building,
Augusta, Maine 04330.

FUEL TAX: 9¢ per gallon on gasoline, with refund of 8¢ per gallon available on such fuel consumed in off-the-highway use. For use of diesel fuel, a license is necessary and the 9¢ per gallon tax is applied only upon such fuel used on the highway. (State Tax Assessor.)

MARYLAND

PREQUALIFICATION *required* in order to bid on highway work, by both general and sub-contractors.

LICENSE *required* of all contractors, obtaining work exceeding \$5,000 per annum, public or private.

PREQUALIFICATION

Prospective bidders on highway work, both general and subcontractors, must prequalify with State Highway Administration, 300 W. Preston Street, Baltimore, Maryland 21203.

Statements must be on forms, to be supplied on request, submitted 15 days prior to any contract letting upon which it is desired to bid, or in any event at least once during the period July 1-June 30. Information submitted must include application, sworn financial statement, outline of experience and equipment owned. Prior to award, bidder must submit a Plan and Equipment Questionnaire outlining a proposed plan for carrying on the work. Prime contractors must not sublet more than 50% of value of contract.

Above applicable for contractors desiring to bid on work for the Maryland State Highway Administration only. Many contractors in Maryland perform work for other State agencies and are not covered by Maryland State Highway Administration prequalification.

Some counties in Maryland require that contractors bidding on highway work be prequalified with the Maryland State Highway Administration, and two of the larger counties have their own prequalification system. Contractors working within the City of Baltimore on City contracts must prequalify with Baltimore City.

LICENSING

No License is required to bid, but under Chapter 704, Section 184, Acts of 1916, Article 56, Section 180, any person or corporation accepting orders or contracts for doing work in a gross yearly volume exceeding \$5,000, must be licensed. This applies to all work, public or private, performed within the State, with the exception of work performed on Federal land. The annual license fee is \$15, plus \$1 clerk fee.

Only one license is necessary, which is valid in any part of Maryland. License year begins May 1st. Fees prorated quarterly.

Licensing administered by:

Miscellaneous Revenue Division—State
License Bureau
301 W. Preston Street, Room 404
Baltimore, Maryland 21201.

In Baltimore City, the license is secured from the Clerk of the Court of Common Pleas, and in the counties from the Clerk of the Circuit Court.

License issued upon application and payment of the fee. No examination is required.

License not required on contracts for Federal Government on government land.

Foreign Corporations are required to qualify and register with the State Department of Assessments and Taxation before license can be issued.

TAXES AND FEES

Admission of foreign corporations; Filing fee, \$40 for corporations doing intrastate business. This fee must accompany an application for qualification under the foreign corporation laws, also a certificate from the proper state official stating that the corporation is in good standing and listing thereon all charter documents on record. For interstate business, no fee. (State Department of Assessments and Taxation, Baltimore, Md.)

ANNUAL CORPORATION TAX (Foreign Corporation Filing Fee); \$40, with annual report. (State Department of Assessments and Taxation, Baltimore, Md.)

SALES AND USE TAX: Effective June 1, 1969, increased from 3% to 4% on all materials, supplies and equipment purchased for use in fulfilling contracts for construction, repair or alteration of real property. Exempts persons operating a non-profit religious, charitable or education institution or organization. Contractors doing work for such exempt institutions or organizations may purchase their requirements for use in such construction tax free by furnishing to their suppliers the contract number and designated organization represented under the contract. Contractors and subcontractors are exempt from the additional 1% tax on purchases of material to fulfill contracts entered into prior to June 1, 1969. Exemption claimed only by filing for refund with the Retail Sales Tax Division of the Comptroller of the Treasury.

INCOME TAX: "Effective 1967 Maryland has adopted a doctrine of conformance between its income tax law and the Federal income tax law. The Federal adjusted gross income, as defined in the laws of the United States, shall constitute the

taxable net income of an individual taxpayer of this State; and the net income of a corporation shall be the taxable income of such taxpayer as defined in the laws of the United States. There are, however, in some instances certain modifications which will be required in order to arrive at Maryland taxable income of both individual taxpayers and corporations.

The tax rate for corporations is 7%. The tax rate for individual taxpayers is a graduated tax rate ranging from 2% on the first \$1,000.00 of net taxable income to 5% on all taxable income in excess of \$3,000.00. There is no longer any distinction between investment and ordinary income."

General withholding law requires withholding of income tax by employers from both resident and non-resident employees, according to tables, and the filing of declarations of estimated tax on income not subject to withholding. Special reciprocal provisions for residents of D. C. and many States.

Withholding forms, tax forms and copy of the law furnished upon request by the Comptroller of the Treasury, Income Tax Division, State Treasury Building, Annapolis, Maryland.

Quarterly returns are due on the last day of the month next after the end of the calendar quarter. Where the quarterly return is reasonably expected to be at least \$300, a monthly return is required. Annual return due April 15 or 15th day of fourth month following close of fiscal year. (Income Tax Division.)

FUEL TAX: 9¢ per gallon on gasoline, but refund for non-highway use is obtainable if claim is filed within twelve months of date of purchase. There is a tax of 9¢ per gallon on all special fuels including diesel fuel used in motor vehicles operated on or intended to be operated upon any highway. (Comptroller of the Treasury, Gasoline Tax Division, Treasury Building, Annapolis, Maryland.)

MASSACHUSETTS

PREQUALIFICATION required in order to bid on any work to be awarded by the Massachusetts Department of Public Works aggregating fifty thousand dollars (\$50,000) or more, excepting the construction, reconstruction, repair or alteration of buildings. Also required by Metropolitan District Commission.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

Any contractor proposing to bid on work under the direction of the Massachusetts Department of Public Works aggregating fifty thousand dollars (\$50,000) or more must furnish a notarized statement on forms provided by the Department setting forth his financial resources, adequacy of plant and equipment, organization and other pertinent facts. The financial data shall be prepared by a Certified Public Accountant based on an actual audit of the contractor's records within four (4) months of the filing date, except for an initial filing where this period shall be extended by eight (8) more months, provided no significant change in the structure of the firm, officers, ownership, status or equipment, name of corporation, or incorporation of a non-incorporated firm occurs between the date upon which the audit is based and the filing date.

In no case shall a request for prequalification be accepted after the twelfth day preceding the day set for opening of bids for work upon which a contractor intends to bid. A request for prequalification will not be considered until a properly and correctly completed questionnaire and financial statement, including all necessary data, has been submitted.

The "Regulations Governing Classification and Rating of Prospective Bidders." Form CSD-689, and "Contractor's Prequalification Statement," Form CSD-090, may be obtained from the Massachusetts Department of Public Works, 100 Nashua Street, Boston, Massachusetts.

LICENSING

There is no State law requiring contractors on public work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Filing fee, \$200. Foreign contracting corporations must be registered before doing business and must appoint the State Secretary as process attorney to represent them in State. (Secretary of the Commonwealth.)

ANNUAL CORPORATION EXCISE TAX: \$7.98 per \$1,000 of value of Massachusetts tangible property not taxed locally or net worth allocated to Massachusetts plus 8.55% of net income plus 14% surtax, or \$114 plus 14% surtax. (Commissioner of Corporations and Taxation.)

SALES AND USE TAX: 3% on sales at retail and on the storage, use or consumption of tangible personal property in the state. Sales of building materials and supplies, including rental charges for construction equipment, for use in construction contracts with governmental or exempt organizations, as defined by statute are exempt. Nonresident contractors are required to file a bond equal to 3% of the contract. (Commissioner of Corporations and Taxation.)

FUEL TAX: Gasoline, 7½¢ per gallon, with refund, upon proper application, for off-highway use. Diesel fuel, 7½¢ per gallon. (Commissioner of Corporations and Taxation.)

MICHIGAN

PREQUALIFICATION *required* in order to bid on highway work.

LICENSE *required* in order to bid on residential building. See below.

PREQUALIFICATION

Under Act No. 170, Public Acts of 1933, as amended contractors proposing to bid on State highway construction are required at least 15 days prior to date set for opening of bids, to file with the State Highway Commission a "Confidential Experience Questionnaire and Financial Statement," using standard forms provided by the Department.

All bidders must complete Form 1313 using the financial statement which covers the same period as its established fiscal year attaching thereto a copy of their certified audit report for the same fiscal year if they desire to become prequalified for an amount in excess of \$200,000.00. Prequalification for work under \$200,000.00 does not require certification of the financial statement, however, it is desirable. The questionnaire should disclose the bidders' financial resources, equipment, facilities and experience to satisfactorily carry out the work to be performed. Information will be kept confidential.

Bidders who qualify will be rated to show the maximum amount of work allowable at any time. Following criteria will be used in determining the rating:

(a) Net liquid assets multiplied by 9.

(b) 1½ times the annual depreciation of construction and transportation equipment multiplied by 9.

(c) Net equipment value multiplied by 4.

Description of all major rating factors and their methods of application are set forth in "The Administrative Rules Governing the Prequalification of Bidders for Highway Construction Work," effective April 15, 1972. Joint bidding on a single contract is permitted.

A low bidder on two or more projects totaling more than his financial rating will be awarded such project or projects as will be to best advantage of Highway Department.

The financial statement as at the end of the fiscal year is required once each year for continuous prequalification.

LICENSING

Residential building contractors and maintenance and alteration contractors are required to obtain a license before bidding upon or contracting work of a residential or combination residential and commercial character. Application must be made in writing, on forms, prescribed by the Department of Licensing and Regulation. The applicant must undergo a written examination or submit satisfactory evidence of five years' experience in the type of work to be undertaken as a contractor. The Act prescribes various regulations, exemptions, and penalties.

Fee for a residential builder's license is \$35; for a residential maintenance and alteration contractor, \$30.

No license will be issued to a foreign corporation until such corporation has been duly authorized to do business in Michigan by the Department of Treasury. Foreign corporations must maintain place of business in Michigan.

The law is administered by:
Department of Licensing and Regulation
1033 So. Washington Avenue
Lansing, Michigan 48926

Contractors desiring to do business in the residential building field should obtain the full text of the statute. Copy of Laws and Rules available, Fee \$1.

License is NOT required where contractor performs contracts for Federal Government, or Government land.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: \$25 admission fee, plus \$10 filing fee;

total \$35. Supplemental Statement required to be filed by May 15 each subsequent year that the amount of authorized capital stock attributable to Michigan is increased - with franchise fee of ½ mill upon each dollar of increase, plus \$10 filing fee: (Department of Commerce)

ANNUAL CORPORATION FRANCHISE TAX (Privilege Fee): 5 mills on each dollar of capital and surplus employed in State. Filing fee, \$10. Minimum tax, \$10. (Department of Treasury.)

INCOME TAX: Michigan income is subject to the Michigan Income Tax Act of 1967. For details, communicate with Department of Treasury, Revenue Division, Income Tax Section, Lansing, Michigan 48922.

SALES AND USE TAX: Construction contractors are consumers by definition in the Michigan sales and use tax statutes. All sales to or purchases by contractors for Michigan contracts are subject to the 4% Michigan sales or use tax except tangible personal property affixed to and made a structural part of the real estate of a non-profit hospital or a non-profit housing entity. (Department of Treasury, Sales and Use Tax Division.)

FUEL TAX: 9¢ on gasoline and liquified petroleum gas, with refund, upon proper application, for non-highway use. Diesel fuel, 7¢ per gallon, applied at time of sale if such fuel is placed in the fuel supply tanks of diesel-burning equipment, with no refund. (Department of Treasury, Motor Fuel Tax Division.)

MINNESOTA

PREQUALIFICATION *not* required.

CONTRACTOR's license *not* required.

PREQUALIFICATION

No formal prequalification is required in order to submit bids on State highway work.

Each bidder shall furnish to the State upon request a statement showing the experience of the bidder and the amount of capital and equipment he has available for performance of the proposed work. (Department of Highways.)

LICENSING

There is no law requiring contractors bidding on or executing work within the State to be licensed. Bids submitted by foreign or non-resident cor-

porations will be considered but awards will not be made to these corporations unless they have furnished evidence to the State that they have met all legal requirements for transacting business in Minnesota.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: License fee of \$125 and incidental fees of \$21. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE FEE: Foreign corporation report filing fee, \$12.50. (Secretary of State.)

INCOME TAX: Corporations, a privilege and income tax of 12% effective July 1, 1971 on taxable net income derived from business in State, minimum tax, \$100 effective for taxable years beginning after December 31, 1972; resident and non-resident individuals, graduated scale of 1.6% to 15% effective for taxable years beginning after December 31, 1971 on net taxable income which includes income from a trade or business carried on within the State, net income from tangible property located within the State, income from intangible property of residents only unless the property is used in a trade or business carried on in the State, net income from personal services of residents, income from personal services performed within the State of non-residents who reside in a state that does not have a reciprocity agreement with Minnesota. The State requires withholding of individual income tax on both residents and non-residents, on residents for personal services performed both within and without the State and on non-residents for services performed within the State if they reside in a state that does not have a reciprocity agreement with Minnesota.

Corporations are required to file a Declaration of Estimated Tax on their estimated tax in excess of \$1,000. (Commissioner of Revenue.)

FUEL TAX: Gasoline, 7¢ per gallon, with refund, upon proper application, for non-highway use. Other fuels, when used on the highways, are taxed at 7¢ per gallon, as "Special Fuel." (Commissioner of Revenue.)

SALES TAX: a 4% sales tax is applicable on all materials purchased after October 31, 1971 for use on construction contracts, however, the 3% rate applies if the contract was enforceable prior to November 1, 1971 and the property was delivered prior to November 1, 1972. (Commissioner of Revenue.)

MISSISSIPPI

PREQUALIFICATION required on all public work costing in excess of \$25,000.

LICENSE required before bidding on or performing public or private work costing over \$10,000. (See below.)

PREQUALIFICATION

Contractors are required to prequalify before submitting a bid or being awarded jobs involving public funds of more than \$25,000. Prime contractor may not select and contract with subcontractors who have not been issued a Certificate of Responsibility on or before the general contract bids are opened by the public letting authority.

Application for Certificate of Responsibility must be made to State Board of Public Contractors on a form prescribed by the Board accompanied by a \$100 deposit for special privilege tax, which is for a calendar year or any part thereof. Board will classify the kind or kinds of public works or public projects that a public contractor is qualified and entitled to perform under the Certificate of Responsibility. The Board shall not require a financial statement but shall limit its inquiries to: Experience and ability, manner of performing work previously undertaken, equipment, personnel, work completed, work on hand, apparent ability to perform satisfactorily work under contract at the time of application, and written or oral examinations.

The Board has four meetings in each year, January, April, July, and October. No certificate or any renewal thereof shall be issued until the application has been on file with the Board for at least 30 days.

Applications made and fees paid to:

State Board of Public Contractors
637 No. President St.
P. O. Drawer 879
Jackson, Mississippi 39205

Preference of 5% shall be given to resident contractors. A foreign corporation qualified as required by law, prior to the advertising of bids, shall be considered to be a resident contractor.

Law does not apply to highway construction, highway bridges, overpasses and any other project incidental to the construction of highways which are designated as federal aid projects and federal funds are involved.

LICENSING

Before bidding on or performing public or private work, on jobs costing in excess of \$10,000 the prime contractor must obtain a State-Wide Privilege License. Application must be on form prescribed by State Tax Commission. Cost of license, \$75. (State Tax Commissioner.)

License IS required where contractor performs contracts for Federal Government.

On all contracts in excess of \$25,000.00 involving public funds both the prime contractor and the subcontractor must obtain a Certificate of Responsibility from the State Board of Public Contractors. Cost of certificate is \$100. Application must be on form prescribed by State Board of Public Contractors.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Fee, based on authorized capital stock, \$25 for first \$5,000, plus \$2 for each additional \$1,000 or fractional part thereof. Minimum, \$25; maximum, \$500. Also, \$5 fee for filing designation of Resident Agent. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX: \$2.50 per \$1,000 of outstanding capital stock, surplus and undivided profits employed in the State, or on assessed value of real and tangible property within the State if this is greater. (State Tax Commission.)

SALES TAX: 1/2 of 1% on construction materials which become a component or integral part of any structure erected, constructed or repaired, 5% on equipment and supplies. 2 1/2% of the gross amount on contracts in excess of \$10,000. On contracts in excess of \$10,000, contractors must post bond or pay tax in advance. (State Tax Commission.)

USE TAX: 5% on equipment and supplies brought into state, 3% on automobiles, trucks and truck-tractors. Credit for sales tax paid another State against use tax due computed by applying rate of sales or use tax so paid to value of property at time of import into Mississippi. (State Tax Commission.)

INCOME TAX: Corporations and individuals, on graduated scale, from 3% on first \$5,000 to 4% on balance of taxable net income earned within the State during calendar year. (State Tax Commission.)

FUEL TAX: Gasoline, 9¢ per gallon, with refund of 8¢ per gallon obtainable, upon proper application, for non-highway use. Diesel fuel, 10¢

per gallon with exemption of 9¢ per gallon obtainable, upon proper application, for non-highway use. No refund or exemption allowed in performing contracts for State of Mississippi or any department, agency or institution thereof, or any political subdivision or any department, agency or institution thereof. (Motor Vehicle Comptroller.)

MISSOURI

PREQUALIFICATION (as such) *not required* in order to bid on highway work.

CONTRACTOR'S LICENSE *not required*.

PREQUALIFICATION

Foreign corporations must furnish a certified copy of authority to perform the type of work involved in Missouri. All bidders must have on file a financial statement seven days before letting date. Those individuals doing business under a name other than their own must comply with registration requirements for fictitious names.

LICENSING

There is no State law requiring contractors on public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS. Qualifying tax is based on the proportion of the stated capital and surplus as represented by property located in and business transacted in Missouri, which proportion shall not be less than the value of the corporation's property located in State. The fees and tax are \$63 for the first \$30,000 or less, and \$5 for each additional \$10,000 or fractional part thereof.

Application papers must be prepared and submitted by a duly licensed attorney. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX: 1/20 of 1% on amount of capital stock or total assets employed in State, whichever is greater without regard to liabilities. Minimum tax, \$25. (Tax Commission.)

SALES AND USE TAX: 3% on retail sales of tangible personal property and on imports of same into State for use, consumption or storage, except where sales tax equal to or greater than Missouri tax has been paid. Sales to construction contractors for permanent installation in performance of contract *not* exempt. Sales to Federal Government,

State, political subdivisions and educational, religious or charitable organizations, exempt. (Department of Revenue.)

INCOME TAX: Corporate, 5% on net income; individual, graduated rate, 1½%-6%. Withholding tax law is also in effect. (Department of Revenue.)

FUEL TAX: 7¢ per gallon on gasoline and special fuels used as motor fuel on the highways. For special fuels, user must hold license, if he maintains own storage, and pay tax on such fuel used on highways. (Department of Revenue.)

MONTANA

PREQUALIFICATION *required* in order to bid on highway work.

LICENSE *required* of contractors bidding on public work costing over \$1,000.

PREQUALIFICATION

Contractors desiring to bid on State highway work must qualify, before bids are accepted, with the State Highway Commission, Helena, Mont. Prequalification statements required annually. New bidders wishing to qualify for specific letting must submit qualifications not later than 7 days prior to opening of bids. A prospective bidder, submitting a statement for the first, or a former, prequalified bidder whose statement has expired, must submit date which is not more than 90 days old.

LICENSING

Contractors bidding on public works in excess of \$1,000 required to obtain license.

In the language of the revised statute:

"There shall be three classes of licenses issued under the provisions of this Act; and such classes of licenses are hereby designated as Classes A, B, and C. Any applicant for a license under the provisions hereof, shall specify in his application the class of license applied for.

"The holder of a Class A license shall be entitled to engage in the public contracting business within the State of Montana without any limitation as to the value of a single public contract project, subject however, to such prequalification requirements as may be imposed and at the time of making the application for such license the applicant shall pay to the registrar a fee in the sum of Two Hundred Dollars (\$200).

"The holder of Class B license shall be entitled to engage in the public contracting business within the State of Montana, but shall not be entitled to engage in the construction of any single public contract project of a value in excess of Fifty Thousand Dollars (\$50,000); and shall pay unto the registrar as a license fee the sum of One Hundred Dollars (\$100) for such Class B license at the time of making application therefor.

"The holder of a Class C license shall be entitled to engage in the public contracting business within the State of Montana, but shall not be entitled to engage in the construction of any single public contract project of a value in excess of Twenty-five Thousand Dollars (\$25,000) and shall pay unto the registrar as a license fee the sum of Ten Dollars (\$10) at the time of making application therefor."

Each public contractor must pay to the state an additional license fee equal to 1% of the gross receipts from public contracts during the income year for which the license is issued. The additional license fees may be used as a credit on the contractor's corporation license tax, or on the contractor's income tax. Contractors may also request direct refund of the additional 1% license fee by filing copies of tax receipts reflecting Montana personal property taxes paid on equipment used in their contracting business.

Licenses are issued by:

Department of Revenue
Miscellaneous Tax Division
Mitchell Building
Helena, Montana 59601

Since application must be held 10 days by the Department of Revenue before issuance of license, submission should be made sufficiently in advance to permit receipt of license before opening of bid on any project which contractor wishes to bid. Renewal, 50% of the original fee. Must be renewed before March 1st of each year.

License is required where contractor performs contracts for Federal Government. License is not required to submit a bid where Federal funds are involved, but must be obtained before actual construction is started.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: License fees are based on amount of stated capital of the corporation employed in Montana. A minimum license fee of \$50.00 is paid upon qualification entitling the corporation to employ \$50,000 or less of its stated capital in

Montana. An annual adjustment for the employment of stated capital above \$50,000 is based on a graduated scale ranging from the equivalent of \$1.00 per \$1,000 on the first \$100,000 to \$570.00 plus 20¢ per \$1,000 on amounts over \$1,000,000. Credit is allowed for amounts previously paid on employment of stated capital. Filing fees are separate and additional to license fees and amount to \$20.00 upon qualification and \$5.00 for the annual report. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX (Corporation License Tax); 6¾% for taxable years beginning on or after February 28, 1971 on net income from Montana sources. Minimum, \$50; certain small business corporations, \$10. (Department of Revenue, State Board of Equalization.)

FUEL TAX: Gasoline of 46 test or over taxed at 7¢ per gallon. Tax for non-highway use refundable on application. Diesel fuel taxed at 9¢ per gallon. Exemption for non-highway use. (Department of Revenue, State Board of Equalization.)

NEBRASKA

PREQUALIFICATION *required* in order to bid on State highway work, except on maintenance or repair jobs costing below \$2,500, and emergency work.

CONTRACTOR'S LICENSE *not* required on any work.

PREQUALIFICATION

Contractors desiring to bid on State highway work must prequalify with the Department of Roads. Excepted are maintenance and repair jobs costing less than \$2,500, and emergency jobs.

Detailed statements, certified to by a CPA, or by a public accountant holding a currently valid permit from the Nebraska State Board of Public Accountancy, must be submitted on forms provided for the purpose, at least ten days before date of contract letting on which it is desired to bid. Statements must provide information relating to finances, equipment, organization and experience, and must be sworn to. Statements will hold good for 15 months but Department may call for additional or new information at any time.

Department will rate applicants on basis of information supplied. Rating will designate types and amount of work for which applicants have been qualified to bid. Ratings will be of two types.

A "Maximum qualification" rating will first be issued to qualified applicants. After receiving same, applicant may request proposal forms for any specific letting, and state, on forms provided by Department, amounts and types of work then under contract, in Nebraska and elsewhere, and amounts thereof still uncompleted. Department may then grant a "current qualification" rating showing amount of work for which applicant may be qualified to bid at the particular letting. He may, however, be awarded contracts exceeding the "current" rating by 25%.

Proposal forms will be labelled with bidder's name and will not be transferable. They will not be issued after 5:00 P. M. of day preceding day of letting. Two or more qualified bidders may bid jointly.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

§§77-3101 to 3112, R.R.S. 1943, requires nonresident contractors to register with the Tax Commission each contract in excess of \$2,500 and file a bond or other form of acceptable assurance conditioned upon the payment of all taxes, including contributions under the employment Security Law, which may accrue to the state and to political subdivisions, on account of the execution and performance of such contract or contracts. (Tax Commissioner.)

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Fee for filing Certificate of Authority to do business in State, \$50 plus \$1.00 for certificate and recording fee of \$1.00 per page. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX (Annual Occupation Tax): Based on property and credits employed in State, fee is on graduated scale beginning at \$20 on amounts up to \$10,000. Maximum tax on foreign corporation is \$9,000 on property and credits exceeding \$10,000,000. (Secretary of State.)

FUEL TAX: Gasoline 8½¢ per gallon for all highway use, with 7½¢ per gallon refundable for all non-highway use, except when used in a motor vehicle which is licensed or subject to licensing for highway use. Special fuels, including Diesel, taxable 8½¢ per gallon when used in motor vehicles. (Tax Commissioner.)

NEVADA

PREQUALIFICATION *required* in order to bid on highway work.

LICENSE *required* of contractors in order to bid on both public and private work. Bid by unlicensed contractor is unlawful, unless exempted due to conflict with federal law or regulations pertaining to federal aid contracts.

PREQUALIFICATION

Pursuant to Nevada Revised Statutes 408.870, the State Highway Engineer shall before furnishing any person proposing to bid on any duly advertised work with the plans and specifications for such work, require from such person a statement, under oath, in the form of answers to questions contained in a standard form of questionnaire and financial statement, which shall include a complete statement of the person's financial ability and experience in performing public work of a similar nature. Such statements shall be filed in ample time to permit the department to verify the information contained therein in advance of furnishing proposal forms, plans and specifications to any such person proposing to bid on any such duly advertised public work, in accordance with the department's rules and regulations.

LICENSING

State of Nevada State Contractors' License Law requires all contractors, including subcontractors, doing business in the State to be licensed.

Application for license shall be on form prepared by State Contractor's Board, and shall be accompanied by fee prescribed by law. Form calls for exhaustive information as to applicant's past record, competence, character, finances (supported by CPA report) and other pertinent data. All bids and contracts must carry license number.

Licensing supervised by:

State Contractors Board
P. O. Box 7497
Reno, Nevada 89502

The Board, in its discretion, is authorized to fix application and annual license fees to be paid by applicants and licensees under the terms of this Act; provided, however, that the application fee shall not exceed \$100 and the annual license fee shall not exceed \$100.

A bond or deposit in an amount determined by

the board up to a maximum of \$20,000 is required. Expiration of renewal date, December 15th.

License is NOT required where contractor performs contracts for Federal Government, on Government land.

TAXES AND FEES

QUALIFICATION OF ALL CORPORATIONS: The fees for filing articles of incorporation or agreements of consolidation providing for shares shall be as provided below (Sec. 78.760 NRS 1957):

Amount represented by total number of shares provided for in the articles of incorporation or the agreement of consolidation:

\$25,000 or less	\$ 25
Over \$25,000 and not over \$75,000	40
Over \$75,000 and not over \$200,000	75
Over \$200,000 and not over \$500,000	100
Over \$500,000 and not over \$1,000,000	150
Over \$1,000,000—	
(1) For the first 1,000,000	150
(2) For each additional \$500,000 or fraction thereof	75

For the purposes of computing the filing fees according to the above schedule, the amount represented by the local number of shares provided for in the articles of incorporation or the agreement of consolidation shall be:

- (1) The aggregate par value of the shares, if only shares with a par value are therein provided for; or
- (2) The product of the number of shares multiplied by ten dollars (\$10), if only shares without par value are therein provided for; or
- (3) The aggregate par value of the shares with a par value plus the product of the number of share without par value multiplied by ten dollars (\$10), if shares with and without par value are therein provided for.

In addition to the above, there are various miscellaneous fees.

The foregoing fees apply equally to foreign and domestic corporations.

ANNUAL CORPORATION FRANCHISE TAX: There is no corporation franchise tax in Nevada. However, corporations, domestic or foreign, are required to file with the Secretary of State a list of officers, directors, and designation of resident agent, and his acceptance thereof, and pay a filing fee of \$10. Failure to file such list before the first Monday of March, after the

preceding July 1st, when lists are required to be filed, results in the revocation of the charters of domestic corporations, and the forfeiture of the right of foreign corporations to do business in the State. (Secretary of State.)

Foreign corporation doing business in the State must publish, not later than March of each year, financial statement covering preceding year's business, in some Nevada newspaper.

SALES AND USE TAX: 3% on sales at retail and on the storage, use or consumption of tangible personal property in the State, 3½% in Clark, Churchill, Douglas, Elko, Humboldt, Lincoln, Lyon, Mineral, Nye, Pershing and Washoe Counties. (Tax Commission.)

FUEL TAX: Gasoline 4½¢ per gallon, plus a county gas tax of 1½¢ per gallon, with the exception of Carson City and Humboldt Counties where the tax is 2½¢, and Clarke, Churchill, Douglas Nye and Washoe Counties, where the tax is 3½¢ per gallon. Tax subject to refund for non-highway use. (Tax Commission.)

SPECIAL FUEL USE TAX: Diesel and miscellaneous fuels subject to a "use tax" of 6¢ per gallon, for highway use only. (Motor Vehicle Department, Carrier Division.)

NEW HAMPSHIRE

PREQUALIFICATION required in order to bid on public work.

CONTRACTOR'S LICENSE not required.

PREQUALIFICATION

All contractors desiring to bid upon work under jurisdiction of Department of Public Works and Highways must prequalify by filing therewith, on forms provided for the purpose, information setting forth their qualifications. Such filing must be made once a year and, in any event not less than eight days prior to opening of bids on any work on which they desire to bid. Department may require a prospective bidder to bring his statement up to date as of the last day of the month preceding that in which bids are to be opened.

A copy of the "Regulations for Prequalifying Contractors" and associated forms may be obtained from:

State of New Hampshire
Department of Public Works and
Highways

John O. Morton Building
85 Loudon Road, P. O. Box 483
Concord, New Hampshire 03301

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Qualification fee, \$100. Annual maintenance fee, due April 1st, \$70. Fees for changing registration, changing name, withdrawal from State, \$10 each. Foreign corporations must maintain registered agents in State authorized to act in name of corporation. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX: Under Chapter 294, R.S.A., every corporation, domestic and foreign, must submit, on or before April 1st of each year, a statement of condition (annual return), on blanks to be supplied by State accompanied by a filing fee of \$30. Annual maintenance fee for foreign corporations of \$70, due April 1st. Every domestic corporation, upon filing its annual return, shall pay a fee equal to one-half the amount paid upon filing its original record of organization, plus one-half of additional payments for increases in capital stock, if any. Maximum fee, \$1,000. Minimum fee, \$30. (Secretary of State.)

FUEL TAX (ROAD TOLL): Gasoline, 9¢ per gallon, with refund for non-highway use available upon proper application. User of diesel fuel required to hold User's License and pay tax of 9¢ per gallon for gallonage used in propulsion of motor vehicles on the highways. (Road Toll Administrator, Motor Vehicle Department.)

NEW JERSEY

PREQUALIFICATION *required* of all bidders on State work, either new construction or repair, where same is advertised. Also required by State Board of Education from all school building bidders.

CONTRACTOR'S LICENSE *not* required on any work, except certain specified electrical work.

PREQUALIFICATION

Persons proposing to bid on any State work must prequalify.

Those proposing to bid on State highway or

other Transportation Department work must furnish a statement under oath in response to a questionnaire to be submitted by the Commissioner of Transportation. Such statement shall fully develop the financial ability, adequacy of plant and equipment; organization and prior experience, including complete record of work done in past three years and such other pertinent and material facts as may be desirable. New statements required every twelve months, or oftener, if deemed necessary by Commissioner.

Applicant should indicate class or classes of work for which qualification is sought. Commissioner will classify approved applicants with respect to construction or repair work in grading, paving, bridge construction, heavy highway construction and miscellaneous work, such as the painting of bridges and other structures; landscaping; test borings; demolition of buildings or other structures; the furnishing and applying of surfacing materials; dredging; guard rail and fencing; signs; electrical work; underground utilities; erection of iron and steel; pile driving; pavement marking; blasting; and the like. He will also stipulate dollar volume of work upon which applicants may bid, according to an alphabetical classification grading from A, for jobs between \$50,000 and \$100,000, to R, jobs with a value of over \$25,000,000. For jobs under \$50,000 a special classification also will be accorded.

In addition to prequalification requirements above, prospective bidders with ratings up to and including \$2,000,000 must submit new statements bearing date as of the end of the month preceding month during which bids will be accepted, except that bids submitted between the 1st and the 15th of any month may carry statements dated one month earlier than here stipulated.

Bidders with ratings above \$2,000,000 may submit an affidavit that there has been no material change in the financial condition since the date of submission for classification if the proper affidavits are completed and accompanied by the status of contracts on hand as of the most recent practical date.

BIDDING: Included in the bid envelope, in addition to the proposal being offered, should be (1) Revised Contractors Financial and Equipment Statement Form DC-74(b) as of the time specified in the advertisement; (2) Certified Check for 10% of the amount bid (minimum \$500, maximum \$20,000); (3) Proposal Bond in a sum not less than 50% of the bid; (4) Non-collusion Affidavit, in duplicate; (5) Appointment of Local Agent, by non-resident contractors.

State Board of Education requires prequalification of all contractors doing public work.

The State Division of Purchase and Property requires the filing of a financial statement questionnaire and set limits on the amount contractors can bid on construction of state buildings.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed, except certain specified electrical work which must be performed by an electrical contractor approved and licensed by the N. J. Board of Examiners of Electrical Contractors.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: For qualifying to transact business in New Jersey, \$165. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE (CORPORATION BUSINESS) TAX: Based on entire net worth or total real and tangible personal property and entire net income allocable to State. Net worth allocable by the average of the three percentages of tangible assets, receipts and payrolls, respectively, allocable to New Jersey. Net income allocable by application of these three percentages of the Business Allocation Factor.

Rates based on net worth, from 2 mills per dollar on first \$100,000,000 allocable to New Jersey to 2/10 mill per dollar on excess of \$300,000,000. Minimum tax, the greater of 5/10 mill per dollar on net assets allocable to State of first \$100,000,000 and 2/10 mill on amounts in excess of \$100,000,000 and \$25 for domestic corporations and \$50 for foreign. In the case of domestic corporations an alternative minimum must be determined on the basis of assets and capital stock.

In lieu of above tax on net worth, corporations having total assets everywhere (less reasonable reserves for depreciation) of less than \$150,000, may choose to pay tax according to scale, ranging for domestic corporations, from \$25 for less than \$18,000 assets to \$223 on assets of \$146,000 to less than \$150,000, and, for foreign corporations, from \$50 on less than \$34,000 assets to \$223 on assets of \$146,000 but less than \$150,000.

Rate on that portion of tax based on net income, 5½%. (Department of Treasury, Division of Taxation.)

SALES AND USE TAX: 5% on retail sales of

tangible personal property, including leases and rentals, sales to construction contractors, and on the use, storage for use or consumption of taxable property or services in the State. (Department of Treasury, Division of Taxation.)

FUEL TAX: 8¢ per gallon all gasoline, with refund upon proper application, for certain specific uses. Special fuels taxed at 8¢ per gallon on highway uses. (Department of the Treasury, Division of Taxation.)

NEW MEXICO

PREQUALIFICATION required in order to bid on highway work.

LICENSE required in order to bid on both public and private work, except Federal projects.

PREQUALIFICATION

Contractors will be required to file an experience questionnaire and certified financial statement which must be a complete report of their financial resources and liabilities, equipment, past record, personnel of organization, and experience. This evidence must be submitted on forms furnished by the State Highway Engineer and must be on file with the Engineer not less than fifteen (15) days prior to date of opening bids. Contractors will be qualified, on the basis of the date submitted, not less than once each year.

The Commission will determine the qualifications of prospective bidders, based on the data submitted, and will establish the type of work, the number of projects, and the total monetary value of the uncompleted work that the bidder will be permitted to have under contract at any time. The proposals of bidders exceeding the prequalification limit established by the Commission may be rejected.

LICENSING

Applications for Contractor's License must be made on forms furnished by the Construction Industries Commission. Failure to complete or to omit essential information will result in delay or cause rejection of the application.

The "Construction Industries Licensing Act of 1967" provides for the regulation, licensing and classification of "contractors".

Provides that each "trade board" may require a reasonable bond or surety in the penal sum of \$500

with such board as obligee and conditioned for the payment of inspection fees provided in the Act.

Provides that an applicant for a license shall demonstrate financial responsibility as provided in this Act.

Provides that the Construction Industries Commission shall promulgate regulations setting forth standards for the determination of financial responsibility. The standards shall take into consideration, but not be limited to, such factors as credit ratings, net worth, total assets, net quick assets, business management experience, previous financial practices and experience, previous bankruptcies, and the size and scope of contracting or proposed contracting operations.

Provides that no applicant for a contractor's license or for the renewal thereof shall be issued a license until the commission determines that he is financially responsible to perform a specified aggregate dollar-amount of contracts at any one time.

Provides that any applicant for a contractor's license or the renewal thereof who is found not to be financially responsible shall be licensed by the commission only in the event such applicant furnishes to the commission proof of financial responsibility for the future. The proof of financial responsibility for the future shall be maintained for the period of one licensing year and for each succeeding licensing year, after a determination by the commission that the applicant is not financially responsible at the time application for renewal is made.

Provides that proof of financial responsibility for the future shall be: (1) a surety bond acceptable to the commission and underwritten by an authorized corporate surety; a net value to him at least double the amount; or (2) an agreement of cash collateral assignment, executed with a state or national bank or federally insured savings association authorized to do business in New Mexico, as trustee, in form prescribed by the commission.

Provides that proof of financial responsibility for the future shall be furnished in amounts of \$1,000, \$2,500, or \$5,000, thus authorizing the contractor to perform \$25,000 or less, \$100,000 or less, or over \$100,000 gross annual business in New Mexico.

Communications regarding licenses and application forms should be addressed to:

Construction Industries Commission
P. O. Box 5155
Santa Fe, New Mexico 87501

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Filing fees, for certificates of authority, 10¢ for each \$1,000 of capital stock authorized, minimum \$25. No par stock shall be presumed to have a par value of \$10 and fee computed on basis of 10¢ for each \$1,000.

At time of receiving certificate of authority foreign corporation shall pay an amount equal to annual minimum franchise tax. Such payment, however, will be credited against franchise tax due for that year. (State Corporation Commission.)

ANNUAL CORPORATION FRANCHISE TAX: The rate of the franchise tax is 55¢ for each \$1,000, or fraction thereof, of the book value of its authorized and issued capital stock represented by its property and business in state, to be assessed by the state corporation commission as provided by the corporate franchise tax laws of the state. Filing annual report, \$5. (State Corporation Commission.)

INCOME TAX: Corporation, 5% on taxable net income from business in, into or from the State, and from property within the State; Individual 1% of taxable income if net income is not over \$500 (\$1,000 for head of household and married individuals filing joint returns) graduating to \$7,765 plus 9% of excess over \$100,000 if net income is over \$100,000 (\$15,530 plus 9% of excess over \$200,000 if net income is over \$200,000 for head of household and married individuals filing joint return). All contractors subject to withhold Federal income tax from employees' wages are also subject to the New Mexico Employees Withholding taxes. This is computed from a tax table furnished by the Bureau of Revenue. (Bureau of Revenue.)

GROSS RECEIPTS & COMPENSATING TAX: Gross receipts tax of 4% applies to total gross receipts of prime contracts. Section 72-16A-14.6, N.M.S.A. 1953 Comp., allows a contractor to issued nontaxable transaction certificates for purchase of tangible personal property that will be incorporated as an ingredient or component part of construction project which is subject to the gross receipts tax upon its completion or upon sale in the ordinary course of business of the real property upon which construction project was built.

Section 72-16A-14.7, N.M.S.A. 1953 Comp., allows a contractor to issue nontaxable transaction certificates for purchase of construction services (subcontracts) if the construction services are performed upon a construction project which is subject to the gross receipts tax upon its completion or upon the sale in the ordinary course of business of the real property upon which the construction project was built.

A subcontractor can issue nontaxable transaction certificates to his subcontractors and materialmen if the same conditions are met.

Compensating tax of 4% of the value of the property is imposed for using property in New Mexico. This is imposed at the time of acquisition or introduction into state, whichever is later, of property that was acquired outside of the state as the result of a transaction that would have been subject to the gross receipts tax had it occurred within the state. Compensating tax is also imposed on the value of property which was not initially subject to the compensating or gross receipts tax, but which, because of buyer's subsequent use of the property, should have been subject to compensating or gross receipts tax. (Bureau of Revenue.)

OTHER TAXES: The municipal sales tax was repealed, effective July 1, 1969. Counties may impose a gross receipts tax and, at the present time, three do: $\frac{1}{4}$ of 1% in Taos County; $\frac{1}{4}$ of 1% in Santa Fe County; $\frac{3}{4}$ of 1% in Rio Arriba County. (Bureau of Revenue.)

FUEL TAX: Tax at the rate of 7¢ per gallon is levied on gasoline at the refineries or by the distributors. Tax at the rate of 7¢ per gallon is levied on diesel and liquefied petroleum gases at the instance of placing the fuel in the supply tank of the motor vehicle. (Motor Transportation Department.)

NEW YORK

PREQUALIFICATION *not* required.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

There is no law or regulation of any department letting contracts for public construction that requires contractors to prequalify in advance of bidding. However, Chapter 480 of the Laws of 1947 provides that non-resident contractors, partnerships, having one or more partners who is a

non-resident, or corporate contractors not organized under the laws of New York State must prove that all taxes due the State of New York have been paid before receiving payments due under a contract for highway construction. A certificate from the State Tax Commission to the effect that all such taxes have been paid constitutes proof of such fact.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Fee for filing Application of Authority; \$110. Application signed and verified by authorized officer or attorney-in-fact must be presented to Secretary of State setting forth State and date of incorporation, the city and county within the State in which office of corporation is to be located; address of offices, within State, to which Secretary of State shall mail any process served upon him; the business which it proposes to do within State; the particular business proposed to do within State is a business authorized by its certificate of incorporation, and a designation of Secretary of State as agent for acceptance of process and statement that no business has been conducted in New York since incorporation or in lieu thereof consent of State Tax Department. Also certificate from home State to the effect such corporation is an existing corporation in State of its incorporation. (Department of State, Division of Corporations, and State Records.)

LICENSE FEE ON FOREIGN CORPORATIONS: Fee of $\frac{1}{8}$ of 1% on face value of issued stock employed in the State; 6¢ per issued no par value share employed in the State; taxes recomputed at same rates in case of any change of capital share structure or increase in the amount of capital stock employed; minimum tax, \$10. (Department of Taxation and Finance.)

ANNUAL CORPORATION FRANCHISE TAX: The greatest of (a) 9% on all or an allocation of the entire net income or (b) 9% of 30% on all or an allocation of a base which takes account of entire net income and compensation paid officers and holders of more than 5% of issued stock or (c) $1\frac{3}{5}$ mill for each dollar of its total or allocated portion of business and investment capital or (d) \$125. Also $\frac{4}{5}$ mill on each dollar of allocated subsidiary capital.

Entire net income is total net income, presumably as returned for Federal Income Tax purposes, with certain adjustments (such as the exclusion of all subsidiary income except recovery in respect of any war loss, 50% of non-subsidiary dividends and without certain exclusions). Allocation of business income and capital on basis of real and tangible property, receipts and payroll. Allocation of investment income and capital and subsidiary capital on basis of allocation percentage of obligor or issuing corporation. (Department of Taxation and Finances.)

INCOME TAX: Individuals, sliding scale from 2% on first \$1,000 to 15% on amount in excess of \$25,000. Also a minimum income tax on tax preference items at 6% after subtraction of taxpayer's State personal income tax and a specific deduction of \$5,000. Unincorporated business, 5½% on net income derived within the State. Exemptions, \$5,000 per annum. Certain professions exempt. Deductions include salary allowance of 20% of net income, not in excess of \$5,000 for the proprietor or for each active partner, with a credit of \$100, which credit shall be reduced by the amount that the tax exceeds \$100. Withholding of taxes and returns required from employers. Instruction pamphlet available from State Tax Commission. (Department of Taxation and Finance.)

SALES AND COMPENSATING USE TAX: State 4% sales and use tax applies to sales and rentals of tangible personal property, consumer's utility charges, restaurant meals, admission and amusement charges, dues to social and athletic clubs, rental of hotel rooms, charges for certain services and the use of property within New York State. As of August 1, 1965, all local (county, city and school district) sales and use taxes are administered by the State. These local taxes may be imposed at rates up to 3% and are collected by vendors from their customers at the same time and in the same manner as the State tax. Combined State and local taxes are remitted quarterly to State Tax Commission. Instructions and informational material available from State Tax Commission. (Department of Taxation and Finance.)

TRUCK MILEGAGE TAX: Vehicular units, in excess of 18,000 pounds, maximum gross weight, taxed on a sliding scale. In addition provides for fuel use tax on interstate and foreign omnibuses and motor vehicles subject to the truck mileage tax. Thruway miles exempt for truck mileage but taxable for fuel use tax. (See Article 21, Tax Law as amended.) (Department of Taxation and Finance.)

FUEL TAX: Gasoline, 8¢ per gallon, with refund, upon proper application, for non-highway use. Registered owners of vehicles using diesel fuel on the highways are required to register as distributors in accordance with section 282-a of the Tax Law. The tax is 10¢ per gallon, with refund available on fuel employed in non-highway use. (See Article 12A, Tax Law, as amended.) (Department of Taxation and Finance.)

An additional tax of 1¢ per gallon on leaded gasoline was imposed by New York City on August 1, 1971.

NEW YORK CITY TAXES: The City of New York imposes various taxes on businesses located or doing business therein. These include the Commercial Rent Tax and the General Occupancy Tax (Public Housing Tax). The General Business Tax was repealed effective for 1966 and subsequent years and was replaced by various business income taxes patterned after similar State taxes. Since August 1, 1965, the New York City Sales and Compensating Use Taxes have been administered by the State Tax Commission in conjunction with the State Sales and Use Taxes. Contractors and others contemplating work within the City may obtain full information regarding city taxes from the New York City Finance Administration, 139 Centre Street, New York, N. Y. 10013.

NORTH CAROLINA

PREQUALIFICATION required in order to bid on all highway work, and on all other non-federal jobs costing \$30,000 or more, through operation of State licensing laws.

LICENSE required of contractors bidding or undertaking projects of \$30,000 or more, both public and private.

PREQUALIFICATION

State Highway projects—Contractors bidding for the first time or who have not had a contract for one year must file prior to the time of receipt of bids an experience questionnaire and confidential financial statement which must be a complete report of the financial resources and liabilities, equipment, past record, personnel of organization, and experience. Contractors intending to consistently submit proposals on State Highway projects are to prequalify at least once a year. They shall comply with the act to regulate the practice of general contracting as contained in Article 1,

General Contractors, Chapter 87, General Statutes of North Carolina.

There are two types of projects (1) those financed from State funds, and (2) those financed wholly or in part from Federal funds. Before a Contractor is permitted to bid on the first class of projects, it is necessary for him to be licensed by the North Carolina Licensing Board for Contractors, provided the bids submitted are \$30,000 or more. This license is not a requirement when bidding on the second class of projects.

LICENSING

Licensing is supervised by:

North Carolina Licensing Board for
Contractors
508 Branch Banking & Trust Co. Building
Raleigh, North Carolina 27602

Contractors desiring to bid on or execute projects of \$30,000 or more must make formal application and file with the Board at least thirty days prior to any regular or special meeting, a written application on such forms as may then be prescribed by the Board. The Board either issues or denies a license, basing its decision upon experience, organization, financial condition and performance record of the applicant, and successful completion of written examination.

Licenses are issued in three groups, as follows:

- (1) Limited Group—permitting contractors to bid on individual projects up to \$75,000; Fee \$40. Annual renewal, \$20.
- (2) Intermediate Group—permitting contractors to bid on individual projects up to \$300,000; Fee, \$60. Annual renewal, \$40.
- (3) Unlimited Group—permitting contractors to bid on projects of any size; Fee, \$80. Annual renewal \$60.

All licenses expire on the 31st day of December. Renewal of license may be effected any time during the month of January, without re-examination, by payment of the renewal fee to the secretary of the Board.

Separate from the above, Section 122, Chapter 105-54, N. C. General Statutes, requires "Every person, firm or corporation who, for a fixed price, commission, fee, or wage, offers or bids to construct within the State of North Carolina any building, highway, street, sidewalk, bridge, culvert, sewer or water system, drainage or dredging system, electric or steam railway, reservoir or dam,

hydraulic or power plant, transmission line, tower, dock, wharf, excavation, grading or other improvement or structure, or any part thereof, the cost of which exceeds the sum of ten thousand dollars (\$10,000) shall apply for and obtain from the Commissioner of Revenue an annual Statewide license, and shall pay for such license a tax of one hundred dollars (\$100) at the time of or prior to offering or submitting any bid on any of the above enumerated projects.

In addition to the above and before entering into such projects, a state-wide license must be procured.

Licensing year begins July 1st. Fee may be prorated where bidder places first bid between January 1st and June 30th.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Based on total authorized capital stock, tax is 40¢ per \$1,000. No par stock value at \$1 per share. Minimum tax, \$40, maximum, \$500. Filing fee, \$5. (Secretary of State.)

CONTRACTOR BIDDERS AND PROJECT TAX: Contractor Bidder's License of \$100 levied for privilege of bidding jobs over \$10,000. In addition, Contractor Project License levied on largest contract awarded during tax year July 1 to June 30, scaled from \$25 on projects of \$5,000 to \$10,000 to maximum of \$625 on jobs of \$1,000,000 or more. (Commissioner of Revenue.)

ANNUAL CORPORATION FRANCHISE TAX: Franchise tax of \$1.50 per \$1,000 on the greatest of (1) outstanding capital stock and surplus allocable to State (2) investment in tangible personal property in State (3) assessed value for ad valorem tax purposes of property in State. Minimum, \$10. (Commissioner of Revenue.)

SALES TAX: 3% on retail sales, including building materials, equipment and supplies. Forms, scaffolding, etc., not exempt. Tax on motor vehicles, as defined in statute, 2% maximum \$120. (Commissioner of Revenue.)

USE TAX: (Excise Tax) 3% on all purchases brought into state for use or storage. Tax on contractors' vehicles, machinery and equipment, brought into state for use, computed on basis of such proportion of original cost as duration of time of use in state bears to total useful life. Owner, or, if property is leased, lessee liable for tax. (Commissioner of Revenue.)

LOCAL SALES AND USE TAX: Counties authorized to levy local sales and use tax of 1% on items covered by the 3% state sales and use tax. (Commissioner of Revenue.)

INCOME TAX: (Corporation): 6% on net apportionable income to North Carolina based on average of ratios of property, payrolls and sales. Net income subject to direct allocation is excluded in determining ratio.

INCOME TAX: (Individuals): 3% on first \$2,000 taxable income, graduating to maximum, 7% over \$10,000, with personal exemptions. (Commissioner of Revenue.)

FUEL TAX: Gasoline, 9¢ per gallon, with refund, upon proper application, of 8¢ per gallon for non-highway use. Diesel fuel taxed only for use in diesel driven motor vehicles. All operators of motor vehicles on the highways with more than two axles must register such vehicles, cost \$1.00 for annual permit. (Commissioner of Revenue.)

INTANGIBLE TAX: (Individuals, partnerships and corporations) 10¢ per \$100 on bank deposits and on deposits with insurance companies. 25¢ per \$100 taxable value on cash on hand, accounts receivable, notes and evidences of debt, shares of stock and beneficial or equitable interest in a foreign trust. (Commissioner of Revenue.)

FUEL USE TAX: Object, to require operators of heavy motor vehicles, having three or more axles, to purchase within state as much fuel as used in state. Such operators must register each vehicle, keep records, and make quarterly reports of gasoline and special fuels purchased in state and used in state. Fuel bought outside North Carolina and used in North Carolina must bear full 9¢ North Carolina tax to extent that total use of fuel in state exceeds total fuel bought in state. If use within state is less than total fuel bought in state refund of tax on this difference is obtainable. To obtain credit all purchases in state should be invoiced with name and address of both buyer and seller, amount of fuel bought, and date. Annual Registration fee, \$1.00 per vehicle. Reports and payments to Gasoline Tax Division, Department of Revenue, Raleigh, N.C.

NORTH DAKOTA

PREQUALIFICATION *required* in order to bid on highway work.

LICENSE *required* in order to bid on all work costing \$500 or more.

PREQUALIFICATION

North Dakota State Highway Department requires that "Names of bidders must be on the Commissioner's qualified list of Contractors, with a sufficient rating shown thereon to entitle them to bid upon the particular job in question before bid will be accepted. Each bidder shall furnish the Commissioner with satisfactory evidence of his competency to perform the work contemplated. A new prequalification statement must be filed each year by April 15, or 10 days prior to the first letting after that date in which the Contractor wishes to bid. This statement shall show the condition of his business as of the close of the Contractor's fiscal year. New statements shall be submitted by April 15 each year thereafter for as long a period as the bidder continues to offer proposals for work advertised for letting by the Commissioner unless specifically requested oftener. The prequalification statement consists of the bidder's financial statement as attested to by a Certified public Accountant, also information relating to his experience in performing construction work similar to the work on which he wishes to bid, and a list of machinery, plant and other equipment available for the proposed work. Experience questionnaire herein referred to shall be submitted on forms furnished by the Commissioner based on such statement, and the confirmation or verification of the fact set forth therein, together with such other material and pertinent data as the Commissioner may have to acquire relative to the competency of such a bidder. A rating will be assigned such bidder after receipt of the financial statement and questionnaire, which rating will set forth the maximum and type of work which will be awarded to him or which he will be permitted to have under contract and incomplete at any time."

No contractor shall be eligible to enter into a public contract with the state of North Dakota or any of its political or governmental subdivisions until the contractor has furnished to the public body a certificate from the State Tax Commissioner stating that the contractor has satisfied all of the requirements of the state income tax law, and use tax law.

All out of state corporations must file a notice with the Secretary of State that they intend to do business in North Dakota.

All successful bidders must secure a contractors license from the Secretary of State before the award of a public contract can be made.

LICENSING

Chapter 43-07 North Dakota Century Code as amended July 1, 1969, requires contractors to be licensed when contract cost exceeds \$500.

A "contractor" is any person, as hereinbefore defined, engaged in the business of construction, repair, alteration, dismantling or demolition of bridges, highways, roads, streets, buildings, airports, dams, drainage or irrigation ditches, sewers, water or gas mains, water filters, tanks towers, oil, gas or water pipeline, and every other type of structure, project, development or improvement coming within the definition of real or personal property, including the construction, alteration or repair of property to be hold either for sale or rental and shall include subcontractor, public contractor, and non-resident contractor.

There are four classes of licenses issued. License (A) costs \$250, covers contracts of any amount. License (B) costs \$150, covers contracts up to and including \$125,000. License (C) costs \$100, covers contracts up to and including \$60,000. License (D) costs \$25, covers contracts up to and including \$25,000. Bond required with application, Class A, \$2,000, and others \$1,000.

Registrant must hold application for license ten days. A contractor bidding on a "public contract" as defined in this law must have license ten days prior to date set forth for bids, to be a qualified bidder.

License may be renewed from year to year at 20% of original cost, if renewed between January 1st and April 1st. A contractor shall not be required to furnish a bond for the renewal. (Secretary of State.)

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Any corporation which submits a bid to construct any part or portion of a public or private building, road, airport, or other installation, shall file a notice of intention to do a t e s s in state with the Secretary of State and procure certificate of Sthority. Entrance fee of \$93. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX (Annual License Fee): Foreign onporations must file report each year for adjustment of license fee to bidl that of domestic corporations of same chtors desiring totalization. Fee for filing report is \$10. (Secretary of State.)
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USE TAX: 4% on purchase Conought into state, except that in the case of a contract awarded

for the construction of highways, roads, streets, bridges, and building prior to January 1, 1970, the contractor is liable for the prior use tax rate of 3%. (State Tax Commissioner.)

INCOME TAX: Foreign corporations, graduated scale beginning at 3% on first \$3,000 of income earned in State; bonds must be furnished by non-resident public contractors guaranteeing payment of amounts that may be due; individuals, graduated scale on taxable income earned in State, beginning at 1% on first \$3,000. (State Tax Commissioner.)

BUSINESS AND CORPORATION PRIVILEGE TAX: Each individual, estate or trust required to file an income tax return and who derives income from the operation of a business, trade or profession, other than as an employee, shall pay a tax for the privilege of doing business in this state of 1% of the net income with a minimum of \$20.

Each foreign and domestic corporation, whose personal property is not assessed by the state board of equalization and which is not subject to a special tax in lieu of personal property taxes, and which is required to file an income tax return shall pay a separate tax for the privilege of doing business in this state, of 1% of its taxable income computed before the deduction for federal income taxes paid or accrued. (State Tax Commissioner.)

FUEL TAX: Gasoline and special fuels, 7¢ per gallon. No refund is allowed on any motor vehicle fuel or special fuels in which public funds are involved, regardless of the usage. Refunds are issued, however, on fuel used for non-highway purposed which is paid from private funds. 2%, aviation fuel. 4% jet aviation fuel.

Importers for use Tax covering interstate usage on public highways. Same rate as for motor vehicle fuels.

There is no exemption on special fuels. Fuel sold for highway and construction purposes is subject to the 7¢ tax. Fuels sold for agricultural, heating and railroad and industrial purposes is subject to the 2% excise tax. (State Tax Commissioner, Motor Fuel Tax Division.)

OHIO

PREQUALIFICATION *required* in order to bid on highway work.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

Contractors desiring to bid on State highway work are required to file a financial statement and complete an equipment and experience questionnaire to be reviewed by the Administrator of Contractor Qualification.

For general work, statements must be submitted at least 10 days prior to date set for opening bids. For structures built to carry railroad traffic, whether permanent or temporary in nature, special prequalification necessary, with statements submitted at least 30 days before opening of bids.

Upon favorable action by the Administrator of Contractor Qualifications, a prequalification certificate indicating the amount and type of work the contractor is qualified to have under contract, is issued. Communications concerning prequalification should be addressed to the Administrator, Contractor Qualifications, Department of Transportation Building, 25 S. Front Street, Columbus, Ohio 43215.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Two types of licenses are granted foreign corporations—temporary and permanent. The temporary license carries a fee of \$100 and is good for six months, with no surrender fee. However, only two will be granted in a period of three years. The permanent license carries an initial filing fee of \$50, plus an annual fee on a graduated scale based on capital employed in Ohio; fees determined by prescribed formula, payable on an increase only over prior years. Rates from 10¢ per share on 1,000 shares or less to ¼¢ per share on more than 500,000 shares. Minimum fee, \$5, first year only. Fee for Surrender of License, \$10. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX: Tax computed on net worth and net income basis. Paid on basis that produces greater tax. ½ of 1% on net value of stock (net worth) allocated to Ohio. On net income four percent (4%) on first twenty-five thousand dollars (\$25,000) of taxable income and eight percent (8%) in excess of twenty-five thousand dollars (\$25,000). Minimum tax \$50. Annual report and payment due March 31st. No filing fee for same. (Tax Commissioner.)

SALES TAX: Bracket taxes approximating 4% on retail sales of tangible personal property and on rentals. No exemptions for tangible personal property incorporated into a structure or improvement to real property except where construction is performed for the state, political subdivisions, non-profit organizations operated exclusively for "charitable purposes", or into a house of public worship or religious education. (Charitable purposes is specifically defined in Section 5739.02 (B) (12) of the Ohio Revised Code.) (Tax Commissioner.)

USE TAX: Bracket taxes approximating 4% on purchase brought into State for "storage, use or other consumption in state of tangible personal property," as defined in Section 5741.01 of Act. Same exemptions as Sales Tax. (Tax Commissioner.)

PERSONAL PROPERTY TAXES: All tangible property located and used in business in Ohio is subject to taxation at a rate which varies annually. All intangible property of residents and certain intangible property of non-residents is subject to taxation. (Tax Commissioner.)

FUEL TAX: 7¢ per gallon. Refundable, upon proper application, for non-highway use except in certain classes of surface vehicles. (Tax Commissioner.)

TRUCK MILEAGE TAX: On all commercial vehicles and vehicular combinations, with three or more axles, graduated scale, from ½¢ to 2½¢ per mile travelled within State and based on number of axles. Terms such as commercial car, commercial tandem and commercial tractor specifically described in law, which should be consulted. (Tax Commissioner.)

LOCAL TAXES: A number of Ohio cities imposed municipal income taxes about which contractors should seek information locally. Counties may now levy a piggy back sales & use tax of ½%. It is now in effect in Allen, Ashland, Auglaize, Clar, Coshocton, Cuyahoga, Delaware, Fulton, Greene, Guernsey, Hamilton, Henry, Jefferson, Knox, Lake, Licking, Lucas, Medina, Mercer, Miami, Montgomery, Muskingum, Noble, Ottawa, Perry, Shelby, Summit, Van Wert, Warren, Wayne and Wood. There is a possibility that the piggy back sales & use tax will be enacted in Putnam County, effective December, 1973, and in Logan County, effective January, 1974. Definite information may be obtained by contacting the department of taxation. (Tax Commissioner.)

PERSONAL INCOME TAX: Effective date January 1, 1972. Imposed on adjusted gross income of each resident and nonresident who earns or receives income in Ohio, less a \$500 exemption for the taxpayer, his spouse and each dependent to a maximum of \$3,000. Employers maintaining an office or transacting business in Ohio are required to withhold Ohio Income Tax. "Adjusted gross income" for Ohio income tax purposes is same as reported for federal income tax purposes. (Tax Commissioner).

OKLAHOMA

PREQUALIFICATION *required* in order to bid on highway work.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

Only prequalified contractors will be allowed to bid upon construction and maintenance work of the Highway Department.

A contractor, who desires to bid upon the construction or maintenance work of the Department, will submit to the Department, at least ten (10) days prior to the bidding date, a plan and experience questionnaire and a comprehensive confidential financial statement, showing all liabilities (current, deferred, and contingent), including equipment schedule, dated within the last sixty (60) days prior to receipt by the Department, on forms furnished by the Department for this purpose. The financial statement will be verified by a Certified Public Accountant with his certificate number shown. All blanks on the contractor's financial statement form will be filed in with either an amount or the word "none." The plan and experience questionnaire form will show, *inter alia*, contractor's past experience, and at least six references as to the character and quality of work previously done.

Based upon a review by the Department, a contractor who has not performed any work for the Department may be prequalified for an amount which is not more than ten (10) times his net quick assets based upon reasonable grounds and experience and which shall be subject to appeal.

The department will qualify, or refuse to qualify, any contractor for paving, grade and drain, bridge, or other Department construction work in accordance with such contractor's experience, equipment, and financial rating,

provided, however, that the Department will determine the contractor's rating, or disqualification, and will notify him of its finding not later than four (4) days prior to the bid opening date in which the contractor desires to bid.

Any contractor not satisfied with a rejection of his application for qualification by the Department or with the rating given, may appeal therefrom to the Director by giving notice by registered mail addressed to the Director, of his objection within 24 hours from the date such contractor received notice of the Department's action.

If a contractor has previously done work for the Department, the maximum amount for which he may be prequalified will be not more than ten (10) times his net quick assets.

Every non-resident contractor, firm or entity including any corporation not domiciled in this State, will before it is permitted to transact business or continue business with the Department, appoint and maintain a service agent upon whom service of process may be made in any action to which said contractor, person, firm or entity may be a party. Appointment of such agent for service, properly executed and acknowledged will be filed with the Secretary of State, and will give the residence address or place of business of such agent. A certified copy of this filing will be furnished to the Department. Said service agent will not be an official, elective or appointive, of the United States, or any political subdivision thereof except as otherwise provided by law, or a bondsman, surety or materials, supplier.

Every such foreign corporation, firm, association or legal entity will file a certified copy of its Articles of Incorporation, Partnership, or Association, with the Department.

No proposal for construction or maintenance work of the Department will be issued to any contractor after two o'clock in the afternoon of the day preceding opening of bids for any contract; and no individual proposal will be issued to any contractor in excess of the amount for which said contractor may be qualified. Should a contractor be low bidder on contracts totaling more than the amount for which he is qualified (less the amount of work on hand), the Commission reserves the right to reject any or all proposals, to waive technicalities, to readvertise for new proposals, or proceed to do the work otherwise, when the best interest of the state will be promoted thereby.

The prospective bidder should familiarize himself with the Oklahoma State Highway Commis-

sion Standard Specification (latest edition), and especially paragraph 102.13 entitled, "Disqualification of Bidders".

For copy write to:
State Highway Commission
Jim Thorpe Building
Oklahoma City, Oklahoma 73105

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: \$1 per \$1,000 on capital employed in Oklahoma. Minimum, \$18. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX (License Tax): \$1.25 on each \$1,000 or fraction thereof of actual capital used, invested or employed in Oklahoma. Minimum, \$10. Maximum, \$20,000. (Oklahoma Tax Commission, Franchise Tax Division.)

INCOME TAX: Corporation, 4% on taxable net income; individuals, graduated rates, ½% to 6%. Withholding required. (Oklahoma Tax Commission, Income Tax Division.)

SALES TAX: 2% on retail sales. There is also an additional 1% or 2% city sales tax in a number of municipalities. (Oklahoma Tax Commission, Sales and Use Tax Division.)

USE TAX: 2% on purchases brought into State, including mail order purchases. (Oklahoma Tax Commission, Sales & Use Tax Division.)

FUEL TAX: Gasoline, all sales and uses, .0658¢ per gallon; Special Fuels, highway use, 6½¢ per gallon. (Oklahoma Tax Commission, Motor Fuel Division.)

NONRESIDENT CONTRACTOR'S BOND: Nonresident contractors and subcontractors having contracts in Oklahoma must before starting work notify by certified mail, (1) Tax Commission, (2) Employment Security Commission, (3) State Industrial Court, (4) County Assessor. Also must file surety bond or other security for not less than 10% of contract price with Tax Commission. Application may be made for waiver of filing nonresident contractor's bond. Prime contractor is required to furnish Commission with a list of the subcontractors and the amount of such subcontracts and upon filing of bond by such subcontractors, the bond of the prime contractor is reduced accordingly. (Oklahoma Tax Commission, Enforcement Division).

OREGON

PREQUALIFICATION *required* in order to bid on public works projects in excess of \$10,000.

CONTRACTOR'S LICENSE *not* required, except residential builders. See below.

PREQUALIFICATION

Prospective bidders on all public works projects costing over \$10,000 shall prequalify with awarding authority, not later than 10 days prior to date set for opening bids. Information required, on forms to be furnished, shall be sworn to and shall include financial statement, outline of experience, description of equipment available and other pertinent data that may be called for. Bidders once qualified before any public officer need not separately qualify for each contract later to be advertised by that agency, unless required to do so by said officer. Decisions as to prequalification submissions will be announced at least 8 days prior to time set for opening bids.

Prequalifying authorities include: Oregon Transportation Commission, Salem, Oregon; State Department of Finance and Administration, Salem, Oregon; State Board of Higher Education, Comptroller, University of Oregon, Eugene, Oregon; and Oregon State Board of Control, Salem, Oregon.

LICENSING

There is no State law requiring contractors, as such, to be licensed on either public or private work.

Effective July 1, 1972, a certificate of registration is required to bid or to do any work as a home builder or specialty builder. Applicant for registration shall submit an application, under oath, upon a form prescribed by the Builders Board. Surety bond, cash or negotiable securities required: home builders, \$3,000; specialty builders, \$1,000. Evidence of public liability and property damage insurance in certain limits is also required. Certificate of registration is valid for one year from date of issuance. (Department of Commerce, Builders Board.)

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Entrance fee of \$50, in payment for Certificate of Authority to do business in State. Also prepayment of annual license fee. (Department of Commerce, Corporation Division.)

ANNUAL CORPORATION FRANCHISE TAX (Annual License Fee): Foreign corporations pay flat fee of \$200 on anniversary date of Certificate of Authority. (Department of Commerce, Corporation Division.)

(Qualification procedure requires the filing of duplicate originals of Application for Certificate of Authority, forms furnished on request, together with a Certificate of Good Standing, the \$50 filing fee and the \$200 annual license fee.)

HOMEBUILDERS and SPECIALTY BUILDERS (Subcontractors): Effective July 1, 1972—\$20 registration fee for homebuilders, \$10 registration fee for specialty builders. (Department of Commerce, Builders Board.)

CORPORATION EXCISE TAX: Based on taxable net income from Oregon business. Rates, banks, or other financial institutions, 8%, public utilities, 6% with offset, not to exceed 33/3% of the tax, for personal property taxes paid by manufacturing and processing corporations on raw materials and other materials which become a part of the finished product, goods in process, and finished goods produced by it and held for sale. Minimum \$10. (Department of Revenue.)

INCOME TAX: Corporation, 6% on net income from Oregon business. Corporations pay *either* the Excise or Income Tax depending upon their methods of doing business. Nonresident individuals, graduated scale on income earned in State. (Department of Revenue.)

FUEL TAX: All motor vehicle fuels ordinarily used by contractors are taxed at 7¢ a gallon. Tax on gasoline is collected by the supplier. Tax on fuel other than gasolines is the obligation of the "user" who uses the fuel to operate a motor vehicle upon the Oregon highway.

Persons who use gasoline may obtain a refund of tax on fuel used in operating or propelling stationary gas engines, tractors or motor boats or who use it for cleaning or dyeing or other commercial use. The tax on gasoline used in a motor vehicle is refundable: (1) when the vehicle is operated by any person on any road, thoroughfare or property in private ownership or, (2) on any road, thoroughfare or property, other than a state highway, county road or city street, for the removal of forest products or for the construction or maintenance of the road, thoroughfare or property, pursuant to a written agreement or permit authorizing the use, construction or maintenance of the road, thoroughfare or property, pursuant to a written agreement or per-

mit authorizing the use, construction or maintenance of the road, thoroughfare or property, with or by, an agency of the United State, the State Board of Forestry, the State Forester or a licensee of these agencies. Refund of tax may be obtained on fuel used in operating motor vehicles over a county road for removal of forest products where the user is obligated to perform or pay for construction of the road under a written agreement permit issued by the State Board of Forestry, the State Forester or an agency of the United State, under certain conditions.

A tax refund may also be claimed on gasoline used to operate auxiliary equipment on a motor vehicle by means of a power take-off unit if the fuel used is measured by a special meter approved by the Motor Vehicles Division. To obtain such approval, the meter must measure fuel used only when the vehicle is stationary and the parking brake is engage.

A tax refund can also be claimed on fuel used in a vehicle equipped with a power take-off unit on a cement mixer truck, on a garbage truck equipped with a compactor or on a delivery truck used to pump aircraft fuel, motor vehicle fuel, heating oils or any other petroleum product. Such refunds will be computed in accord with the specific formula set out in the statute. (Motor Vehicle Division, Fuel Tax Section, Department of Transportation.)

PENNSYLVANIA

PREQUALIFICATION *required* of all contractors, whether bidders or subcontractors, in order to bid on highway work.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

In determining qualifications of bidders the department shall consider the following factors; equipment, past record, experience, personnel of organization and financial condition. No bids considered from any bidder who is not prequalified.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed. Fictitious business styles and foreign corporations must be registered. (Department of Transportation.)

TAXES AND FEES

ADMISSION OF FOREIGN CORPORA-

TIONS: (Excise) $\frac{1}{3}$ of 1% on capital employed in commonwealth. (Department of Revenue.)

ANNUAL EXCISE: $\frac{1}{3}$ of 1% on any increase in capital employed in Pennsylvania. (Department of Revenue.)

ANNUAL CORPORATION FRANCHISE TAX: 10 mills on taxable value of capital stock apportioned to Pennsylvania. (Department of Revenue.)

SALES AND USE TAX: 6%. The tax is imposed on all tangible personal property except those items specifically exempted under the Act. In this regard, the tax was changed from a selective one to that of a general levy.

In addition, contractors who bring materials and supplies into Pennsylvania which were purchased specifically for use in connection with the performance of their realty work must pay a Use Tax at the rate of 6%. However, such contractors may elect to pay a tax on either the fair monthly rental value or the prevailing market price on items of machinery and equipment which they bring into Pennsylvania if such property is six (6) months old or older. Refer to Sections 204 and 205 of the Act for further clarification.

Under certain circumstances, a contractor is permitted to assert an exemption with respect to his purchase of materials which he incorporates as components of facilities (other than building) which qualify as machinery and equipment used directly in manufacturing or processing operations or in the production, rendition or delivery of a public utility service.

Persons covered as vendors of tangible personal property must have a Certificate of Registration and keep appropriate records. For further details consult local Sales Tax offices or State Bureau of Sales and Use Tax, 1846 Brookwood Street, Harrisburg, (Department of Revenue.)

INCOME TAX: 12% on taxable net income allocated to Pennsylvania. Reduced to 11% beginning with the last 6 months of 1972 for calendar year taxpayers, or for the last 6 months of a year beginning in 1972 for fiscal year taxpayers. (Department of Revenue.)

LOCAL TAXES: One or more Pennsylvania cities, including Philadelphia, levy income or sales taxes about which contractors should obtain information locally.

FUEL TAX: 8¢ per gallon. Gasoline is taxable, regardless of purpose for which used. Diesel fuel is subject to the tax only when used on highways.

When consumed in off highway use, sales or use tax is imposed. (Department of Revenue.)

PUERTO RICO

PREQUALIFICATION *not required* in order to bid.

CONTRACTOR'S LICENSE *not required*.

PREQUALIFICATION

Prospective bidders must accompany bids with a "statement of bidder's qualification" attesting to experience, equipment available, personnel and financial condition.

LICENSING

There is no Puerto Rico law requiring that contractors be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Filing must include copy of charter or certificate of incorporation certified under the hand and seal of the office of the Secretary of State, sworn statement (if sworn to outside Puerto Rico signature of notary must be authenticated by proper officer) of assets and liabilities and identification of authorized agent or agents who can be sued. Fee, \$30. (Secretary of State.)

ANNUAL REPORTS: Filing required, not later than April 15 of each year with Secretary of Treasury and Secretary of State, of balance sheet at close of preceding calendar or fiscal year and names and addresses of officers and directors and date of terms of office. Secretary of Treasury also requires trial balance of Puerto Rico business as of preceding January 1 and a profit and loss statement for last operating year. (Secretary of Treasury.) (Secretary of State.)

INCOME TAX: Nondomestic corporations and partnerships engaged in trade or business in Puerto Rico normal rate, 22% of normal tax net income derived from Puerto Rican sources, after the credit for dividends or partnerships profits received; surtax rate, sliding scale, from 9% on surtax net income (equal to normal tax net income less \$25,000) up to \$75,000 and 18% on surtax net income in excess of \$75,000. Individuals; nonresident U. S. citizens; total rate 12.6% on taxable net income (net income after personal exemption, credit for dependents and certain deductions) from Puerto Rican sources below

\$2,000 to 82.95% on taxable net income over \$200,000.

Construction, manufacturing, agricultural, hotel, and shipping businesses may qualify for flexible depreciation allowance on flexible depreciable property. However, the total amount that a taxpayer may claim as flexible depreciation for a particular taxable year beginning after December 31, 1965 shall not exceed 50% of the net income (determined without such deduction) realized in the business or the commercial activity in which the flexibly depreciable property is being used. Furthermore, flexible depreciation may not be used by these firms qualifying for tax exemption under the industrial incentives program. Taxpayers availing themselves of the benefits of flexible depreciation shall not, with respect to taxable years beginning after December 31, 1972, be allowed to claim flexible depreciation with respect to land used in their trade or business after the aforementioned date.

U. S. citizens, located in Puerto Rico for the entire taxable year or longer may, under certain circumstances, qualify as Puerto Rican residents and become exempt from U.S. income taxes on income derived from Puerto Rican sources during such periods. (Department of the Treasury.)

EXCISE TAXES: Imposed on selected products imported from U. S., foreign countries, and/or manufactured in Puerto Rico, Basis for tax is:

"Taxable price in Puerto Rico" meaning cost of the article prevailing at the point of origin (in the case of new automobiles, the F.O.B. cost at factory quoted by manufacturer to their distributors in Puerto Rico), plus 32% of that cost.

Nominal rates of tax: on trucks over $\frac{3}{4}$ ton is 10%; on truck-tractors, 17%; on passenger cars, \$250 if "taxable price in Puerto Rico" is not over \$2,000; in excess of \$2,000 but not over \$2,500, \$250 plus 50% on excess of \$2,000; in excess of \$2,500 but not over \$3,000, \$500 plus 60% on the excess of \$2,500; in excess of \$3,000, \$800 plus 80% on the excess of \$3,000. In the case of used automobiles certain adjustment are made to the taxable price considering the age and physical condition of the vehicle. (Department of the Treasury.)

FUEL TAX: Gasoline, 11¢ a gallon or fraction thereof; diesel oil or gas oil, 8¢ a gallon or fraction thereof. No refunds for non-highway use. (Department of Treasury.)

RHODE ISLAND

PREQUALIFICATION *not* required in order to bid.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

A registered list of bidders, for highway and bridge work, is maintained and when there is work to be bid, contractors on the registered list are notified. The job is also listed in local newspapers. To be placed on the list, it is necessary only to make request to the State Department of Transportation, Division of Public Works, Providence, R. I. Out-of-State contractors are requested to file authority for officers authorized to sign or, if a partnership, to give names and addresses of partners. A contractor is not required to file statement of finances and performance history until and unless he is a low bidder.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Filing application for certificate of authority \$50. License fees based upon the proportion of the number of authorized shares represented in the state, determined by specified formula. The fees are 1¢ per share up to and including the first 10,000 authorized shares represented in the state, $\frac{1}{2}$ ¢ per share in excess of 10,000 up to and including 100,000 shares, and $\frac{1}{5}$ ¢ per share in excess of 100,000 shares represented in the state. Minimum, \$15. (Secretary of State.)

ANNUAL CORPORATION TAX (Business Corporation Tax): All corporations must pay a tax at a rate of 8% of net income allocable to State. Thereafter State calculates tax, based on corporate excess, at 40¢ per \$100, and if greater than amount paid, corporation is billed for the difference. (Department of Administration, Division of Taxation.)

SALES AND USE TAX: 5% on sales at retail of tangible personal property. Use tax, 5% on tangible personal property brought into state by a resident for use, consumption or storage. Tangible personal property purchased by a non-resident for use and used outside this State and subsequently

brought into this State for his own use is tax exempt.

Regulation C, September 17, 1951, specifies that, with exceptions noted, contractors are liable on all purchases of equipment, materials and supplies and on all rentals of equipment; where contractor contracts to furnish materials at agreed price and to render services in connection therewith he functions as a retailer, must have permit to make sales at retail and must collect tax from persons to whom he sells.

Sales to the Federal Government, the State, any political subdivision thereof, non-profit hospitals and educational institutions, and to institutions operated exclusively for religious or charitable purposes, exempt. Such exempt institutions must have been issued an exemption certificate by this office.

Contractors having contracts with such exempt governments, agencies thereof, institutions and organizations may purchase materials and supplies which become physically incorporated in and become a permanent part of the projects being performed under such contracts without payment of the tax, by issuing appropriate contractor's purchase certificates.

Out-of-state construction contractor must post guarantee bond or make cash deposit equal to 3% of contract and file appropriate return on completion of contract. Failure of out of state contractor to comply compels the resident contractor or owner to deduct 3% from first payment made to out-of-state contractor and remit to the Division of Taxation or be liable for the tax if the deduction and remittance is not made. (Excise Tax Section, Division of Taxation, Department of Administration.)

FUEL TAX: All motor fuels ordinarily used by contractors, including diesel fuel, used either on or off the highways, subject to tax of 8\$ per gallon. (Department of Administration, Division of Taxation.)

SOUTH CAROLINA

PREQUALIFICATION *required* in order to bid on highway work.

LICENSES of two types *required* of general contractors in order to bid on jobs of \$30,000 or more.

If contractor has prequalified for highway work license will automatically issue, after 7 days following date of application.

PREQUALIFICATION

Under "Rules and Regulations for Prequalifications," established in accordance with Section 33-223 of the 1962 Code entitled "State Highway Commission to Fix Eligibility of Bidders on State Highway Work," contractors desiring to bid on State highway work are required to submit a financial statement, an experience questionnaire and an equipment questionnaire to the South Carolina State Highway Commission, Columbia, South Carolina. The required forms may be obtained from the Commission.

LICENSING

Two types of licenses required for general contractors desiring to bid on or perform jobs costing \$30,000 or over. Both licenses under Jurisdiction, Licensing Board for Contractors, P. O. Box 5737, 1300 Pickens St., Room 118, Columbia, S. C. 29205.

General Contractor's license obtainable by applying to Board, on form provided, at least 30 days in advance of regularly scheduled meeting and, upon being notified, submitting to examination. Approved applicants will appear on roster maintained by Board. Fee for this license \$60, paid at time of application. Expiration date, December 31. Renewal required during month of January, same fee.

This license will be issued without examination, seven days after application, to those presenting bidder's or contractor's certificate issued by Highway Department. If issued on this basis without examination will be limited to work for the Highway Department only. Same fees.

Bidder's license, issuable without examination to those holding General Contractor's license upon payment of fee of \$100. This license also expires in December and is renewable either the following January or prior to submitting the next bid. Renewal fee, \$100.

All bids by licensed contractor must show license numbers, for both types of licenses held.

License is NOT required where contractor bids on or performs contracts for Federal Government, on Government land. Projects involving public or private funds augmented by Federal Aid are subject to license requirements.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: With entrance fee of 40¢ per thousand of

the authorized capital stock with a minimum of \$40 plus a filing fee of \$5, total minimum \$45, maximum fee \$1,005. Annual Statement required beginning 1966, to be filed with the South Carolina Tax Commission. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX (Corporation License Fee).

Under Franchise Tax Law, effective January 1, 1955, the rate of tax is one mill per dollar on a proportion of total capital stock and paid in surplus is levied on both Foreign and Domestic corporations. Proportion will be based on application of statutory formulae. Minimum tax, \$10. (State Tax Commissioner.)

INCOME TAX: Corporations, 6% on taxable net income earned in State

Individuals, graduated scale on taxable income from sources within State. (State Tax Commission.)

SALES AND USE TAX: 4% on retail sales within State whether for use, storage or consumption, and on retail purchases outside State when brought into State for use irrespective of whether or not sales tax has been paid on same in State where purchased. Contractors' tangible personal property, such as construction equipment vehicles, tools, and machinery, where bought outside State and used before being brought into State, taxed on basis of life expectancy in relation to time used in state. Where imported new, and used for the first time in State, taxed on full purchase price.

Tax applies to gross proceeds or receipts from rentals.

Reciprocal provisions apply to construction equipment brought into state when other state levies sales or use tax against property of person or company of this state without allowance for period of use in such other state or without allowance for reasonable depreciation in such other state.

Credit is allowed against sales and use tax legally due and paid to another state, provided such other state grants substantially similar tax credits on tangible personal property purchased in South Carolina.

FUEL TAX: Gasoline, 8¢ per gallon for highway or non-highway use. Diesel fuel subject to 8¢ per gallon tax only when used to propel motor vehicles on the highways. (State Tax Commission.)

SOUTH DAKOTA

PREQUALIFICATION required in order to bid on highway work.

CONTRACTOR'S LICENSE not required.

PREQUALIFICATION

All persons proposing to bid on State highway work must furnish a statement under oath on a form prescribed and provided by the Department of Highway. Statement shall fully develop the financial ability, adequacy of equipment, organization, prior experience and other pertinent and material facts. Information furnished shall be used to determine a contractor's classification and rating.

The financial statement shall be supported by a certificate as to the correctness thereof by a certified public accountant or a South Dakota licensed accountant.

Statements upon which a qualification is desired shall be received by the Department in Pierre not less than fourteen (14) days prior to the date of requesting proposals for a letting to provide sufficient time for the committee to properly analyze and consider the same.

Ratings are given for one or more of the following classifications:

- Grading
- Portland Cement—Concrete Paving
- Bituminous Paving—Plant Mix Work
- Bituminous Surfacing—Blotter Type
- Gravel and Crushed Rock Surfacing Base Course
- Bridges and Grade Separations
- Guard Rail
- Roadside Improvement

A rating on "maximum capacity," or largest amount that contractor may have under contract at any one time is also assigned.

Also assigned, for any particular letting will be a "current rating," bearing upon contractor's eligibility to be considered for that job.

Necessary forms for making application together with a copy of "Regulations Governing the Classification and Rating of Prospective Bidders" can be obtained from:

South Dakota State Highway Commission
Pierre, South Dakota.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

Chapter 217, Laws of 1971 requires that on or after July 1, 1971, all nonresident contractors must register with the Commissioner of Revenue each contract and file a bond or other form of acceptable assurance conditioned upon the payment of all taxes, which may accrue to the state and to political subdivisions, on account of the execution and performance of such contract or contracts, prior to commencing work on the contract. For complete information contact the Department of Revenue, Contractors Permit Section, State Capital, Pierre, South Dakota 57501.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Filing an application of a foreign corporation for a certificate of authority to transact business in this state and issuing a certificate of authority, fifty dollars, and in addition, for each additional \$1,000 of capital stock employed in this state in excess of \$50,000.00 the sum of five dollars up to and including \$100,000 additional capital stock and thereafter forty dollars for each additional \$500,000 of capital stock employed in this state. (Secretary of State.)

SALES AND USE TAX: 4% sales tax on receipts from all retail sales and certain services.

4% compensating use tax on the cost or purchase price of all tangible personal property brought into the State for use, storage or consumption.

Reciprocity statute permits consumers to off-set use tax by the amount of any sales or use tax legally due and paid in another state.

The cities of Aberdeen, Custer, Deadwood, Hot Springs, Huron, Lead, Madison, Sioux Falls, Spearfish, Sturgis and Wall impose a 1% sales and use tax. The City of Keystone, 2% and Rapid City, 1½% sales and use tax. (Department of Revenue, Sales & Use Tax Division.)

FUEL TAX: Gasoline, 7¢ per gallon; liquefied petroleum, 6¢ per gallon; diesel fuel, 7¢ per gallon.

Special fuel tax, 7¢ per gallon, applies when such fuel is used to propel a motor vehicle on the public highways, or when such fuel is used for highway construction paid in whole or in part by public funds.

Refund of tax on gasoline used in stationary power plants may be obtained by holders of proper per-

mits. No refund of gasoline tax for non-highway use in connection with construction or maintenance work paid for with public funds. (Director, Motor Fuel Tax Division.)

TENNESSEE

PREQUALIFICATION required in order to bid on highway work.

LICENSE required of contractors undertaking work in excess of \$20,000, public or private.

PREQUALIFICATION

The Bureau of Highways requires prequalification by contractors bidding on work under the supervision of that Department, regardless of the size of the project and irrespective of whether or not the contractor has been licensed by the State Board of Licensing General Contractors.

Prequalification questionnaires prepared by a Certified or Licensed Public Accountant, must be filed once a year and must reach office of State Construction Engineer at least seven days prior to date of contract letting in which contractor is interested. Forms may be obtained from:

Bureau of Highways
110 Dept of Transportation Building
Nashville, Tennessee 37219

LICENSING

Tennessee Code, Section 62-601 et seq., requires general contractors to be licensed before undertaking any project costing more than \$20,000.

Any person, firm or corporation desiring to be licensed under this Act must make application on the prescribed form thirty (30) days prior to any regular or special meeting of the Board for Licensing General Contractors. Regular meetings of the Board are held in January, March, May, July, September and November of each year.

Written application accompanied by a remittance of \$50 must be filed with the Board on such forms as the Board may prescribe. If the application is satisfactory to the Board, the applicant shall be entitled to an examination to determine his qualifications. If the results of the examination are satisfactory to the Board a certificate will be issued authorizing the applicant to operate as a general contractor in the State of Tennessee. Anyone failing to pass such examination may be reexamined at a regular meeting of the Board without additional fee.

Licenses issued prior to July 1, 1972 expire on the last day of December following issuance or renewal. Licenses issued after July 1, 1972 are renewable one year from date of issue. Renewal may be effected by payment of \$25 to the Secretary of the Board.

Issuance of a certificate of license by the Board is evidence that the person, firm or corporation named therein is entitled to all the rights and privileges of a licensed general contractor, while the license remains unrevoked, provided that the contractor has paid his privilege tax (outlined below) and that the license is recorded in the office of the County Court Clerk in each County in which the contractor engages in business. Fee for recording of the certificate by the County Court Clerk of any county is \$1.

Licensing is under the supervision of:

State Board for Licensing General
Contractors
516 Capital Hill Building
Nashville, Tennessee 37219

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Entrance fee of \$300; \$5, registered agent's fee. (Secretary of State.)

CORPORATION FRANCHISE TAX: 15¢ per \$100 on the greater of the following two bases:

- (1) Capital stock, surplus and undivided profits allocated to business within the State.
- (2) Book value of property owned plus the value of rental property used. Value of rental property is determined by applying a multiple against the net annual rental of property used. The multiples are: Real property, 5; machinery and equipment used in manufacturing and processing, 3; furniture, office machinery and equipment, 2; delivery or mobile equipments, 1.

ALSO: Corporation Filing Fee—Paid annually. Option of: (1) ½ of 1% on gross amount of receipts from Tennessee business or (2) Graduated rate on outstanding capital stock. Minimum, \$5; maximum, \$150.

ALSO: Corporation Excise Tax—6% (for fiscal years ending on or after June 15, 1971) on taxable net earning from Tennessee business. Separate accounting for business done in Tennessee by contractors. (Department of Revenue, Franchise, Excise Tax Division.)

CONTRACTOR'S PRIVILEGE TAX: Each person engaged or continuing in this state in the business of contracting or performing a contract is subject to a privilege tax of 1/15 of 1% of the compensation entitled to under the contract, whether in the form of a contract price, commission, fee or wage. Minimum tax, \$15 per annum. (Department of Revenue, Miscellaneous Tax Division.)

SALES AND USE TAX: 3½% on materials and equipment purchased in Tennessee; on rentals of tangible personal property within State; and on purchase price of or rental paid for tangible personal property, materials or supplies imported for use within State. Credit is allowed for sales tax paid to another State, provided that tax is lawfully imposed and collected. Otherwise full Tennessee levy applies. Applicable on both private and public work including work done for Federal Government and including any materials, supplies or equipment furnished in connection therewith; however, property which becomes part of an electric generating or transmission system belonging to Federal, State or local government or a political subdivision thereof exempt. Industrial machinery of manufacturers is subject to lower taxes. (Department of Revenue, Sales and Use Tax Division.)

LOCAL OPTION TAX: Counties and cities are authorized to levy a local option sales and use tax of up to ½ the State rate, or 1¾%. This tax is in addition to the 3½% State tax, and is placed on the same privilege and basis as the State tax. (Department of Revenue, Sales and Use Tax Division.)

FUEL TAX: 8¢ per gallon road use plus 1¢ per gallon inspection fee. L.P.G. 7¢ per gallon road use. Gasoline 7¢ per gallon plus 1¢ per gallon inspection fee. (Department of Revenue, Petroleum Tax Division.)

TEXAS

PREQUALIFICATION *required* in order to bid on highway work.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

Contractors desiring to bid on State highway work must submit to the Texas Highway Department, Austin, Texas 78701, on forms provided for the purpose, a confidential questionnaire containing financial, equipment and experience data. The financial statement must contain complete infor-

mation pertaining to the contractor's financial condition, including a balance sheet and statement of contractor's financial resources which must be certified to by an independent C.P.A., registered and in good standing in any state, or an independent Public Accountant registered under the Texas Public Accountancy Act of 1945. Foreign corporations desiring prequalification must first obtain a Certificate of Authority to do business in the State of Texas from the Secretary of State's office.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

Article 5160a, Revised Civil Statutes, requires nonresident construction contractors, before commencing work or undertaking to perform any duties under a contract in Texas to give written notice to the comptroller of public accounts, the Texas Employment Commission, the Industrial Accident Board, and the tax assessor and collector of each country in which work is to be performed under contract, and to file with the Comptroller of Public Accounts a surety bond in the amount of 10% of the contract price payable to the state of Texas, conditioned upon compliance with the Tax Laws, the Unemployment Compensation Laws and the Workmen's Compensation Laws of Texas.

The Article provides that if the Comptroller finds that the nonresident contractor has property in Texas sufficient to comply with said laws or has a past record of compliance with these laws, the Comptroller may issue a certificate of exemption from the bonding requirements, but not from the notice requirements of the Article. A contractor whose principal place of business is in a state that does not require notice and bonding of nonresident contractors as provided by this Article, said contractor is exempt.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: 1. Filing of new Articles of Incorporation: Texas Corporation fee—\$100.00.

2. Admission of Foreign Corporations: Application for Certificate of Authority to do business in Texas fee—\$500.00. In addition a \$500.00 trust deposit must be submitted to guarantee payment of franchise taxes. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX: Based on that Proportion of the stated capital, surplus and undivided profits which the

gross receipts from business done in Texas bear to the total gross receipts from the entire business. Rate of tax, \$4.25 for each \$1,000 or fractional part thereof, beginning May 1, 1970, an additional 45.45%.

If the assessed value of a corporation's real, personal or mixed property in Texas exceeds the stated capital, surplus and undivided profits allocable to Texas, the tax will be required to be computed on the assessed value at the rates applicable to the stated capital, surplus and undivided profits.

There is also a provision that a corporation may elect to pay its franchise tax computed on the total assets upon a graduated scale, the amount of which would be from assets of less than \$15,000 up to an amount not to exceed \$150,000.

There is a minimum, however, of \$54.09 per year. (Comptroller of Public Accounts, Franchise Tax Division.)

LIMITED SALES AND USE TAX: 4% plus 1% city sales and use tax adopted in most cities.

The type of contract under which the work is performed will determine whether or not the contractor will be required to pay the Sales Tax on the materials incorporated into the final result of the contract.

If the contract calls for a lump-sum price, the contractor is considered to be the consumer of all materials used in the performance of the contract and as such must pay the Sales Tax on the materials to the supplier at the time of purchase. In this instance, no tax is collected from the customer. The contractor is not required to pay the tax when the job is with an exempt entity. He may issue an Exemption Certificate in lieu of the tax.

On the other hand, if the contract is a segregated contract whereby separate amounts are stated for the labor and materials, the contractor may purchase those materials which are incorporated into the final result of the contract by issuing a Resale Certificate to his supplier in lieu of the Sales Tax. An acceptable form for the Resale Certificate to his supplier in lieu of the Sales Tax. An acceptable form for the Resale Certificate is illustrated in Ruling No. 5. To be valid, the Resale Certificate must bear the contractor's Limited Sales Tax Permit account number. The contractor will then collect the Sales Tax from the customer based on the selling price of the materials unless the job is with an exempt entity in which instance an Exemption Certificate may be accepted in lieu of the Sales Tax. An acceptable form for the

Exemption Certificate is illustrated in Ruling No. 7. A number is not issued for these Certificates inasmuch as Exemption Certificates need not bear a number to be valid.

A contractor is not entitled to issue Resale Certificates in lieu of the Sales Tax on supplies, tools, equipment and other tangible personal property which is used in the performance of a contract but which does not become incorporated into the final result of the contract. The Sales Tax must be paid on these items to the supplier at the time of purchase in compliance with the provisions of Ruling No. 9. (Comptroller of Public Accounts, Sales Tax Division.)

FUEL TAX: Motor fuel (gasoline), 5¢ per gallon. Motor fuel used off highway subject to tax refund, except on motor fuel used on construction or maintenance work paid for out of such tax. Special fuels (liquefied gas, butane, propane), 5¢ per gallon. Tax refunds paid to non-bonded users and dealers (retailers) on fuel used or sold for use off highway. Bonded users and retail dealers, whose purchases are predominantly for use off highway, purchase tax-free and pay tax to State only on fuel used or sold for use on highway.

Diesel fuel (diesel, kerosene) 6½¢ per gallon. Tax refunds paid to non-bonded users and dealers (retailers) on fuel used or sold for use off highway to purchasers who do not own or operate diesel motor vehicles.

Bonded users, whose purchases are predominantly for use off highway, purchase tax-free and pay tax to State only on fuel used on highway. (Comptroller of Public Accounts, Motor Fuel Division.)

UTAH

Prequalification *required* to bid on projects under the jurisdiction of State Road Commission, and on State Building Board projects.

LICENSE *required* in order to bid on both public and private work.

PREQUALIFICATION

Under regulations of State Road Commission contractors desiring to bid on State projects must submit a Confidential Financial Statement, Equipment and Experience Questionnaire, on forms provided by the Department of Contractors, Salt Lake City, Utah. State Building Board requirements similar, with respect to projects.

Financial statements must be of a date not more than nine months prior to date of application for prequalification. Financial statements must be audited by independent C.P.A., registered and in good standing in any State, or independent public accountant, licensed and in good standing in Utah. *If* applicant desires qualification in excess of \$100,000 accountant's audit must not contain nullifying qualifications.

New statements required annually at least 30 days prior to expiration of current qualification.

Prior to being prequalified each applicant must have been licensed in compliance with Utah laws, and if an out-of-State corporation, must have certificate from Secretary of State showing that corporation is duly qualified to transact business in Utah.

LICENSING

Applications for license must be on forms provided by Department and afford pertinent information regarding applicant's experience, financial responsibility and general competence.

Licenses to be issued will be of three types: (1) General Engineering (2) General Building (3) Specialty. Applicants should state type of license or licenses desired. A qualified applicant may be licensed in more than one classification.

58-23-2. Exemptions from Act.—This Act shall not apply to:

(1) An authorized representative or representatives of the United States Government, the State of Utah, or any county, incorporated city or town, irrigation district, reclamation district, or other municipal or political corporation or subdivision of this State.

(2) Any construction or operation incidental to the construction and repair of irrigation and drainage ditches of regularly constituted irrigation districts and reclamation districts, or to farming, dairying, agriculture, viticulture, horticulture or stock or poultry raising, metal and coal mining, quarries, sand and gravel excavations, well drilling, hauling and lumbering.

(3) Trustees of an express trust, or officers of a court, providing they are acting within the terms of their trust or office, respectively.

(4) Public utilities operating under the regulations of the public utilities commission on construction work incidental to their own business.

(5) Sole owners of property building structures thereon for their own use.

(6) Any person engaged in the sale or merchandising of personal property which by its design or manufacture may be attached, installed or otherwise affixed to real property who has contracted with a person, firm or corporation licensed under the provisions of this Act to install, affix or attach the same.

(7) Any contractor submitting a bid on a federal aid highway project; provided, that prior to undertaking any construction under that bid, the contractor shall be licensed under the terms of this act.

Licenses expire April 30 and applications for renewal must be made on or before that date. Fee, \$60; renewal, \$20. (Department of Contractors.)

Any contractor operating under an assumed name must register with the Secretary of State in order to have legal status in Utah courts.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Duplicate originals of the application of the corporation for a certificate of authority shall be delivered to the Secretary of State, together with a copy of its articles of incorporation and all amendments thereto, duly authenticated by the proper officer of the state or country under the laws of which it is incorporated. Filing fee, \$25.00. In addition there is a license tax at rate of 1/20th of 1% of the dollar value of the total authorized shares represented in State. Minimum fee \$25 up to maximum of \$500. Specified formula for determining shares represented in State. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX (Income Tax): Rate, 6% on income attributable to Utah sources. Minimum, \$25. Exempts income earned by corporations having a valid election for federal income tax purposes to be taxed as small business corporations after January 1973. Income of these corporations is taxed if stock is owned by non-residents. (State Tax Commission.)

SALES TAX: 4% State tax, plus ½ of 1% local tax in counties that have adopted the local tax on retail sales, including installation of tangible personal property and repairs to or renovation thereof. (State Tax Commission.)

USE TAX: 4% State rate, plus ½ of 1% local tax in counties that have adopted the tax on purchases for use, storage or consumption in Utah and on repair services performed on tangible personal

property to be used in Utah. (State Tax Commission.)

MOTOR FUEL TAX: 7¢ per gallon tax on all motor fuels with refund for *agricultural* non-highway use. (State Tax Commission.)

SPECIAL FUEL TAX: 7¢ per gallon tax on all special fuels used to propel a motor vehicle upon the public highways of Utah. (State Tax Commission.)

VERMONT

PREQUALIFICATION required in order to bid on highway and bridge work estimated at \$50,000 or over. Statement also required of contractors desiring to bid on smaller jobs under jurisdiction of Highway Department, prior to issuance of a proposal.

CONTRACTOR'S LICENSE not required.

PREQUALIFICATION

Contractors proposing to bid on State Highway projects must furnish a statement under oath on forms prescribed and provided by the Department of Highways at least once each year.

Prequalification year ends annually 3 months after close of contractor's fiscal year.

Proposals for contract work of \$50,000 or over will not be issued to any contractor prior to establishing of prequalification status.

Request for prequalification, including properly executed statement on forms prescribed and furnished by the Department must be submitted on or before the eighth day before the opening of bids in order to receive proposals for a particular bid opening. Auditor's certification required for financial statement.

Contractors desiring to bid on contract work involving less than \$50,000 are required to submit annually a properly executed financial statement and questionnaire, using forms prescribed and provided by the Department of Highways.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: A foreign corporation is required by State law to obtain a certificate of authority from the

Secretary of State. Certified copy of charter or articles of incorporation must accompany application for certificate. Fee is \$60. Annual renewal or certificate of extension of authority must be obtained each year at a cost of \$35. All certificates of authority obtained from the Secretary of State, who is ex-officio Commissioner of Foreign Corporations. An Annual report must be filed each year within 3 months of the end of the fiscal year. (Secretary of State.)

ANNUAL CORPORATION INCOME TAX: 6% on taxable net income or earnings allocable to Vermont, or a minimum tax of \$25 whichever is greater. (Commissioner of Taxes.)

INCOME TAX: (Individuals), 28%; effective January 1, 1974 the tax will be 27.25% of the taxpayer's federal income tax liability. The federal income tax liability base will be determined prior to the addition of a federal surtax.

Employers are required to withhold taxes on the wages of all persons, resident and nonresident, receiving compensation for work and services performed in Vermont. (Commissioner of Taxes.)

FUEL TAX: 9¢ per gallon on all motor fuels except kerosene, diesel oil, and aircraft jet fuel, with no refund for non-highway use. On non-gasoline driven motor vehicles the registration fee is 1¼ times that of gasoline driven motor vehicles. (Commissioner of Motor Vehicles.)

REGISTRATION OF BUSINESS TITLES: Partnerships and individuals doing business under names other than their own must register with the Secretary of State in accordance with 11, Chapter 15, Vermont Statutes Annotated. Registration must be renewed every 2 years with a fee of \$2. (Secretary of State.)

VIRGINIA

PREQUALIFICATION *required* with State highway Commission in order to bid on State Highway work.

REGISTRATION and possession of registration certificate, issued by State Registration Board for Contractors, required to bid on or undertake projects (a) of a value of \$30,000 or more, or (b) of a total value of all projects of \$200,000 or more annually, whether private or public, and including highway work under jurisdiction of counties or local authorities.

PREQUALIFICATION

Contractors desiring to bid on State highway work in Virginia must prequalify. Application is by standard form. "Confidential Contractor's Financial Statement" (Form C-37) and "Application" (Form C-38), supplied by Commonwealth of Virginia, Department of Highways, Richmond, Virginia. Prospective bidders are rated and assigned a classification and maximum bidding amount.

BIDDING: Procedure is to be in accordance with the requirements set forth in the 1970 edition of the Virginia Department of Highways' Road and Bridge Specifications which permits the bidder to (a) withdraw any proposal after it has been deposited with the Department provided the request for such withdrawal is received by the Department in writing one hour prior to the time and date set for receiving proposals. (b) A bidder who desires to bid on more than one project at a single letting and also protect himself against receiving the award of more projects than he is equipped to handle, may bid on any number of projects, securing the protection desired by making written statement signed by the bidder and attached to the proposal for each of the projects bid upon, on which this is to apply. (The Department anticipates issuance of the 1974 edition of the Road and Bridge Specifications by April 1974.)

LICENSING

General contractors and sub-contractors bidding on or undertaking projects (a) of a value of \$30,000 or more, or (b) of a total value of all projects of \$200,000 or more annually, within the State, except highway work under the supervision of the State Highway Commission, must be licensed and registered.

Title 54, Chapter 7, Virginia Code, 1950, as amended, 1972, provides substantially as follows:

Any persons, firm, association or corporation desiring to be registered as a general contractor or a subcontractor in this State shall make and file with the State Registration Board for Contractors 30 days prior to any regular or special meeting thereof a written application on such form as may then be prescribed for examination by the Board, which application shall be accompanied by \$50. If more than one person is designated by a business applicant to take an examination, there shall be an additional \$50 fee required for each such additional person.

The Board shall require the applicant to furnish evidence of his ability, character and financial responsibility, and a statement of the applicant's reasonably current financial position, which may be the applicant's last financial statement as of a date not more than fifteen months prior thereto, on a form prescribed by the Board which will include an affidavit regarding the correctness of such statement. If the result of the examination of any applicant shall be satisfactory to the Board, the Board shall issue to the applicant a certificate to engage as a general contractor or a subcontractor in this State as provided in the certificate. The Board may grant an unclassified certificate, or limit the certificate granted to any applicant to any of four classifications, namely, (1) building contractor, (2) highway contractor, (3) public utilities contractor, or (4) specialty contractor; and it shall be the responsibility of the Board, or the members thereof to ascertain from reliable sources whether or not the past performance record of an applicant is good, whether or not he has the reputation of paying his labor and material bills, as well as carrying out other contracts that he may have entered into. Before the issuance of a certificate, the Board or the members thereof shall ascertain from reliable sources whether or not the applicant has complied with the laws of the Commonwealth pertaining to the domestication of foreign corporations and all other laws in any manner affecting persons, firms, associations or corporations engaged in the practice of general contracting or subcontracting as set forth in this chapter.

The Executive Secretary of the Board may issue a temporary certificate to engage as a general contractor or a subcontractor in this State as provided in the certificate to any person who is a resident of Virginia or is a domestic corporation who has not theretofore made application for examination, provided that:

- (1) Such person file with the Board the application and evidence of ability, character and financial responsibility and the financial statement as hereinabove referred to; and
- (2) Such person give bond in sufficient amount with an approved corporate surety conditioned upon the faithful performance of the work in strict conformity with the plans, specifications and conditions, and the payment of all persons who fulfill contracts with the applicant for performing labor or furnishing materials; and
- (3) The value of the work to be undertaken thereunder does not exceed one hundred thousand dollars.

Any applicant failing to pass such examination may be reexamined at any regular meeting of the Board held within one year following such examination without additional fee. A certificate of registration shall expire on the last day of December following its issuance or renewal and shall become invalid on that date unless renewed, subject to the approval of the Board. Applications for renewal may be made any time during the month of January. Such application shall be accompanied with a fee of \$25 to the secretary-treasurer and a reasonably current statement of the applicant's financial position, which may be the applicant's last financial statement as of a date not more than fifteen months prior thereto, on a form prescribed by the Board.

Regular meetings are held in January, April, July and October and special meetings as determined by Board.

Registration supervised by:

State Registration Board of Contractors
Ninth Street Office Building
Richmond, Virginia 23219

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Entrance fee and filing fee based on authorized capital stock, up to and including \$50,000 (minimum fee of \$30, plus \$5 filing fee). Over \$50,000 and up to and including \$1,000,000, fee is 60¢ per \$1,000 or fraction thereof, plus a \$5 filing fee. Over \$1,000,000 fees range from \$1,000 to \$5,000, plus a \$5 filing fee. No par value shares taken at par of \$100 per share. A foreign corporation must maintain a resident registered agent in Virginia upon whom process for the corporation may be served. (State Corporation Commission.)

ANNUAL CORPORATION REGISTRATION FEE: Graduated scale based on authorized capital stock. Minimum, \$5. Maximum, \$25. (State Corporation Commission.)

CONTRACTOR'S LICENSE TAX (Privilege Tax): The Code of Virginia, Section 58-297 to 58-303.1, imposes a license tax, measured by the gross amount of all orders or contracts accepted during the preceding year. The tax is ascertained in the following manner:

Less than \$1,000	No license required
\$1,000 to \$5,000	\$ 5
\$5,001 to \$10,000	10
\$10,001 to \$20,000	15
\$20,001 to \$50,000	20
\$50,001 to \$100,000	50

\$100,001 to \$150,000	100
\$150,001 to \$300,000	150
\$300,001 or above	250

Licenses expire December 31. They may be procured from the Commissioner of Revenue for the city or county in which the contractor has his office, or in the city or county in which he conducts his business. Counties, cities and towns may impose local license taxes on the same base as state at the same or varying rates.

Contractors' registration and license are NOT required where contractor performs contracts for Federal Government, on Government land over which Virginia has ceded exclusive jurisdiction to Federal Government. (Department of Taxation, Licensing Division.)

INCOME TAX: Corporations, 6% on taxable net income allocable to State; resident and non-resident individuals on sliding scale, beginning at 2% on first \$3,000 of net income subject to tax and extending to 5.75% on income in excess of \$12,000. (Corporations: Department of Taxation. Individuals: Local Commissioner of Revenue or the Department of Taxation.)

SALES AND USE TAX: 3% State, plus 1% local sales and use tax in every city and county.

A real estate construction contractor is deemed a consumer of all tangible personal property purchased for use in the performance of a construction contract. The 3 percent State and 1 percent local tax should be paid to the supplier at the time of purchase, if a supplier of a contractor doing work in Virginia does not hold a Certificate of Registration for the collection of the Virginia tax from the contractor, the contractor will be liable for the use tax and such tax should be remitted to the Sales and Use Tax Division on Form ST-7, Consumer's Use Tax Return. These forms can be obtained by writing the Department of Taxation, Sales and Use Tax Division, P. O. Box 6-L, Richmond, Virginia 23215.

FUEL TAX: 9¢ per gallon all fuels ordinarily used by contractors including diesel fuel. Tax refundable for non-highway use. (Commissioner of Motor Vehicles.)

WASHINGTON

PREQUALIFICATION *required* in order to bid on highway work.

CERTIFICATE OF REGISTRATION *required*

to bid or to do any work as a contractor. (See below.)

PREQUALIFICATION

Bid proposals upon any construction or improvement of any state highway shall be made upon contract proposal form supplied by the highway commission, and in no other manner. The highway commission shall, before furnishing any person, firm or corporation desiring to bid upon any work for which a call for bid proposals has been published, with a contract proposal form, require from such person, firm or corporation, answers to questions contained in a standard form of questionnaire and financial statement, including a complete statement of the financial ability and experience of such person, firm, or corporation in performing state highway, road or other public work. Such questionnaire shall be sworn to before a notary public or other person authorized to take acknowledgment of deeds and shall be submitted once a year and at such other times as the highway commission may require. Whenever the highway commission is not satisfied with the sufficiency of the answers contained in such questionnaire and financial statement or whenever the highway commission determines that such person, firm, or corporation does not meet all of the requirements hereinafter set forth it may refuse to furnish such person, firm or corporation with a contract proposal form and any bid proposal of such person, firm or corporation must be disregarded. In order to obtain a contract proposal form, a person, firm or corporation shall have all of the following requirements:

(1) Adequate financial resources, or the ability to secure such resources;

(2) The necessary experience, organization, and technical qualifications to perform the proposed contract;

(3) The ability to comply with the required performance schedule taking into consideration all of its existing business commitments;

(4) A satisfactory record of performance, integrity, judgment, and skills; and

(5) Be otherwise qualified and eligible to receive an award under applicable laws and regulations.

Applications for prequalification are filed with the Director of Highways of the State of Washington, Olympia, Washington.

LICENSING

Applicant for registration as a contractor shall

submit an application under oath upon a form prescribed by the Department of Labor and Industries, Division of Building and Construction Safety Inspection Services. Certificate of Registration is valid for one year and is to be renewed on or before August 1st of each year. Surety bond or negotiable security deposit required, general contractors, \$2,000; specialty contractors, \$1,000. Evidence of public liability and property damage insurance in certain limits is also required. Registration fee \$15 per year for both general and specialty contractors. (Department of Labor and Industries, Division of Building and Construction Safety Inspection Services, Contractor's Section, P. O. Box 207, Olympia, Washington 98504.)

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Fee is on graduated scale, based on capital stock represented by property and capital employed in State.

First \$50,000 stock, \$50, plus \$1 per \$1,000 additional stock, up to and including \$1,000,000. First \$1,000,000 stock, \$1,000, plus 40 cents per \$1,000 additional stock, up to and including \$4,000,000. First \$4,000,000 stock, \$2,200, plus 20 cents per \$1,000 additional stock. In addition all fees are subject to a 25% surtax. Maximum, \$6,250. Same rate for domestic corporations. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX (License Fee): Graduated scale, based on capital stock represented by capital and business in State. Same brackets as admission fee, but fee starts at \$30 for first \$50,000 stock, with 50 cents for each additional \$1,000 stock, up to and including \$1,000,000, and highest bracket starting at \$1,105 for first \$4,000,000 stock, plus 10 cents each additional \$1,000 stock. In addition all fees are subject to a 25% surtax. Maximum fee, \$3,125. (Secretary of State.)

BUSINESS AND OCCUPATION TAX: 44/100% on building contractors' gross receipts, including receipts from construction or improvement of public roads. (Department of Revenue.)

SALES AND USE TAX: 5% (5.3 in Kings County) on retail sales which include full contract price of construction contracts, including construction of state-owned roads, tangible property installed and labor and services performed.

Purchases by contractors of materials such as concrete, lumber, finish hardware, etc., which

become part of the structure are not subject to the Retail Sales Tax. A contractor constructing city, county or federally owned roads is considered to be the user and consumer of all materials used in performance of the contract.

Use tax applies to equipment and supplies purchased in a foreign State for use or consumption in performing contracts in State. An offset against this tax is available for sales or use taxes paid another state on such equipment and supplies. (Department of Revenue.)

FUEL TAX: 9¢ per gallon on motor fuels ordinarily used by contractors, including diesel fuel. Refund allowed on gasoline used in any equipment that is not required to be registered and licensed and is not operated over and along any public highway. (Department of Motor Vehicles.)

WEST VIRGINIA

PREQUALIFICATION *required* in order to bid on highway work.

CONTRACTOR'S LICENSE *not* required.

PREQUALIFICATION

Standard Specifications for Roads and Bridges Adopted 1972 pursuant to Acts of the Legislature 1937, revised July 1, 1941, provide that contractors desiring to bid on West Virginia Department of Highway work must prequalify.

A Certificate of Qualification will be issued by the Commissioner, fixing the amount of uncompleted work a contractor may have under contract at any one time, and the type of work for which the contractor is qualified.

To obtain a Certificate of Qualification, the contractor must file, under oath, a "Contractor's Prequalification Statement," containing Financial Statements and Experience Records with detailed information as to available financial resources, equipment, property and other assets together with an account of past experience, a record of work accomplished, personnel of organization and all other facts called for in the Prequalification Statement, and with such other information the Commissioner may desire for consideration in issuing said Certificate. Forms may be obtained from the West Virginia Department of Highways, Construction Division, Contract Department, 1900 Washington Street, East, Charleston, West Virginia.

Application for Prequalification will be accepted by the Commissioner until 15 calendar days prior to the date set for receiving bids on projects on which the applicant may want to bid.

No contractor will be issued a Certificate of Qualification unless investigation and verification of the Financial Statement shows possession of net current assets, or working capital, sufficient for satisfactory fulfillment of all contracts that may be awarded, and payment of all obligations that may be thereby incurred. The Commissioner shall be the judge of the sufficiency of assets.

Certificates are issued for the following classifications:

A. GENERAL CONSTRUCTION: Any and all classes of work ordinarily undertaken by the West Virginia Department of Highways.

B. PORTLAND CEMENT CONCRETE PAVING: The construction of the Portland cement concrete surface course, including the grading, drainage, structures, and other incidental construction included in the proposal.

C. BITUMINOUS PAVING: The construction of all classes of bituminous surfaces including the grading, drainage, structures, and other incidental construction included in the proposal.

1. Bituminous application and mixed in place or penetration types.

2. Plant mixed types.

D. GRAVEL: CRUSHED ROCK, AND KNAPPED STONE CONSTRUCTION: The construction of untreated traffic bound gravel, crushed rock surface courses or knapped stone base course, including the grading and such other incidental work as may be included in the proposal.

E. GRADING: The construction of the roadbed including drainage structures and incidental construction included in the proposal.

F. STRUCTURES: The construction of masonry, fabricated steel or timber bridges, viaducts and culverts, and incidental construction, including approaches thereto, included in the proposal.

G. GUARD RAIL, SEEDING, SODDING, DRAINAGE AND CULVERTS.

H. HAULING AND PLACING: Work involving the hauling and placing of construction material.

I. BUILDING, HOUSEMOVING, RECONSTRUCTION, including incidental work.

Bidding on proposal forms, on which the name of the bidder is to be written in ink before issuance, will be issued only to prequalified contractors or their authorized representatives, or to contractors who shall have filed an application for prequalification upon a State standard form 15 calendar days, prior to the date set for receiving bids on projects on which the applicant may want to bid. No blanks will be issued to a contractor for any project on which the engineer's preliminary estimate of cost exceeds the amount of the contractor's rating. When more than one project is advertised, proposals will be issued on as many projects as the contractor requests, providing the contractor is qualified as above for each individual project, but no contracts will be awarded exceeding the permissible limit of the contractor's rating.

Two or more persons, partnerships or corporations may combine for a joint bid either by being separately prequalified and joining in the venture or by prequalifying as a multiple combination.

Contractors who are found to be low bidders on a number of projects of which the total exceeds the contractor's rating may withdraw, with the approval of the Commissioner, bids on such project or projects as will bring the remaining total to within the limit of the rating. At his discretion, the Commissioner may award contracts for the project or projects on which bids have so been withdrawn to the next lowest qualified bidder.

The Commissioner may declare any bidder ineligible at any time during the process of receiving bids or awarding contracts where developments arise after the issuance of a Certificate of Qualification which, in the opinion of the Commissioner, adversely affects the bidder's responsibility. The bidder shall be given an opportunity by the Commissioner to present evidence before final action is taken. If, after the opening of bids, the Commissioner finds that facts exist which would disqualify the low bidder, the Commissioner shall reject such bid, despite the fact of prior qualification.

Before being awarded any contract an out-of-State corporation must have obtained from the Secretary of State authority to do business in West Virginia.

LICENSING

There is no State law requiring contractors on either public or private work to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Filing fee of \$10, plus \$5 for certificate for Workmen's Compensation Commission, plus pro rata share of annual license tax, which totals \$250, and of State Auditor's fee of \$10. Pro-rated fees effective October 1 through June 30. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX (License Tax): For domestic corporations, tax is on graduated scale and ranges from \$20 on authorized capital stock of \$5,000 or less to \$2,500 on capital stock of more than \$15,000,000.

For foreign corporations, tax is based on the same proportion of total issued capital stock as is represented by the percentage of corporate property owned in West Virginia. Tax ranges from \$250 minimum to \$4,375 maximum. Also, there is a statutory attorney fee of \$10 for foreign corporations, or domestic corporations having their main place of business or chief works outside the State. (State Auditor.)

SALES AND USE TAX: 3%. Contractors are exempt from consumers sales and use taxes on all purchases of equipment, supplies, materials and services for direct use in their business. The sale and installation of machinery and equipment, which becomes a part of real property, is classified as contracting and is not subject to consumers sale or use tax. The sale of furniture and appliances by contractors is subject to consumers sales tax. (State Tax Department)

BUSINESS AND OCCUPATION PRIVILEGE TAX (Gross Sales Tax): Contractor's tax of 2.2% on gross amount of all West Virginia contracts. All persons employing nonresident contractors and subcontractors shall withhold a sufficient amount to cover this tax in final settlement. Certificates of release to the effect that this tax has been paid shall be obtained from the Tax Department to avoid personal liability. (State Tax Department.)

FUEL TAX: Gasoline and diesel fuel, 8.5¢ per gallon with refund available for certain non-highway uses. No tax on aircraft fuel when used in aircraft or fuel for commercial boats. (State Tax Department.)

BUSINESS FRANCHISE CERTIFICATE: All persons are required to register prior to going into business, or each fiscal year July 1 to June 30 thereafter, and pay a fee of \$15.00 for each business location, a person holds himself out to engage in or transact business therefrom. Anyone

doing business in West Virginia is presumed to have a business location for the purposes of this Act. (State Tax Department.)

CORPORATE NET INCOME TAX: All foreign or domestic corporations who are registered with the Secretary of State of West Virginia are subject to corporation net income tax, unless exempted by Section 11-24-5 of the Code. In the computation of this tax a credit is allowed for the amount of business and occupation tax incurred during the taxable year. This credit will usually overcome the liability for this tax, but it shall not exceed the Corporate Net Income Tax liability. (State Department.)

WISCONSIN

PREQUALIFICATION *may be required* on highway and other public work.

CONTRACTOR'S LICENSE *not required.*

PREQUALIFICATION

Prequalification optional with awarding authority. Where required prospective bidders must submit sworn, confidential statement containing information on finances, equipment and experience, not less than five days prior to time set for opening bids. Authority will rate applicants on the basis of information supplied. Once rated, applicants need not separately qualify on each contract let unless so required by awarding authority.

On State highway work, applications to Division of Highways, State Office Building, Madison, Wisconsin.

On other public work, to State Chief Engineer.

LICENSING

There is no State law requiring general contractors to be licensed.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Entrance fee of \$50, plus \$1 for each \$1,000 of capital in excess of \$50,000 employed or to be employed in the State. (Secretary of State.)

ANNUAL CORPORATION REPORT (Foreign): Filing fees, if filed by March 31, \$15; by May 31, \$40; on and after June 1, \$70.

Also required payment of \$1 per \$1,000 on

capital in excess of the amount upon which fee has theretofore been paid. (Secretary of State.)

INCOME AND FRANCHISE TAX: Corporations, graduated scale beginning at 2.3% on the first \$1,000 and increasing to 7.9% on excess above \$6,000, on net income earned within the State or measured by such net income. Corporations are required to declare and pay taxes in advance if the total tax for the year can reasonably be expected to exceed \$2,000.

INCOME TAX: Individuals, graduated scale, beginning at 3.1% on first \$1,000 and increasing to 11.4% on net income over \$14,000. Wisconsin taxable income will be based on federal adjusted gross income as determined under the Internal Revenue Code with certain modifications and adjustments. Income from business, tangible property and personal services in Wisconsin is taxable to non-residents.

Provisions for income tax withholding and quarterly declarations of income for individuals enacted effective February 1, 1962. Applies to every employer making payment of wages to resident and non-resident employees. An employee is a resident individual who performs services for an employer anywhere or a non-resident who performs such services within Wisconsin.

All non-residents, corporations and individuals engaged in construction contracting on one or more contracts aggregating \$50,000 or more during the same calendar year must file surety bonds of 3% of the contract or subcontract price, to guarantee payment of income tax, withholding tax, sales and use tax and unemployment compensation tax liability. (Department of Revenue.)

SALES AND USE TAX: 4% on tangible personal property, unless specifically exempt. (Department of Revenue.)

FUEL TAX: 7¢ per gallon on all motor fuel. Tax subject to refund when motor fuel is not used in motor vehicles. 7¢ per gallon all special fuel when used in motor vehicles. No tax on special fuel used for other purposes but such purchases or use are subject to the 4% sales or use tax. (Department of Revenue.)

WYOMING

PREQUALIFICATION *required* in order to bid on highway work.

CONTRACTOR'S LICENSE *not* required, except electrical contractors.

PREQUALIFICATION

The following are excerpts from the State Highway Department's Policy Statement:

"1. All persons, firms, co-partnerships or corporations proposing to bid on any State road or bridge projects must first submit a statement under oath on a questionnaire furnished by the Wyoming State Highway Department. Such statements shall fully develop the applicant's financial ability, the adequacy of his plant and equipment, organization and past experience, together with such other pertinent or material facts as may be desirable in the judgment of the Highway Superintendent. Pre-qualifications statements in excess of \$400,000 must bear the unqualified certification of a certified public accountant. In an amount of \$400,000 or less, pre-qualification statements must be signed by a certified public accountant or a reputable public accountant. Reputable public accountants signing pre-qualification statements must not be a member or an employee of the organization or a relative of the owner or owners. Certification by a CPA must be current (current to be defined as within the contractor's fiscal year). Pre-qualifications will be for a twelve-month period starting three months after the date of audit. Contractors will not be allowed to bid if their pre-qualification period has expired."

2. The applicant must show that he possesses net current assets or working capital, sufficient, in the judgment of the Highway Superintendent, to render it probable that he can satisfactorily execute his contracts and meet all obligations therein incurred. To that end, the applicant shall authorize the Highway Superintendent to obtain all information pertinent to the financial worth and assets and liabilities of the applicant from banks and other financial institutions, surety companies, dealers in materials, equipment or supplies, or any other persons having business transactions with the applicant. And the applicant shall authorize such institutions or persons to furnish any such information.

"4. If the applicant is a foreign corporation, evidence shall be furnished of its authority to do business in Wyoming; however, such evidence shall not be required for the submission of bids but shall be required prior to an award of contract."

"6. Upon receipt of questionnaire statements, the Highway Superintendent shall examine and verify the same and then either qualify the

applicant and establish his capacity rating, together with character of work qualified for, or reject the applicant as unqualified. Final decision on every application must be taken by the Superintendent within ten (10) days after receipt of same and the applicant so notified by mail. Any applicant dissatisfied with the decision of the Highway Superintendent may appeal to the Highway Commission."

"7. All prospective bidders are requested to submit pre-qualification statements well in advance so that said statements can be acted upon at least four (4) days prior to the date of a letting. The bids of contractors who are not pre-qualified at least four (4) days prior to the time of opening bids may not be read or considered."

"11. The overall responsibility for prequalification of contractors rests with the State Highway Engineer. The financial capacity of the contractor will be determined by the Director, Accounting Division. The character of work for which the contractor is to be pre-qualified will be determined by the Senior Construction Staff Engineer."

LICENSING

There is no State law requiring contractors on either public or private work to be licensed, except electrical contractors.

TAXES AND FEES

ADMISSION OF FOREIGN CORPORATIONS: Entrance fee of \$10, plus \$1 per \$1,000 of capital, property and assets allocable to State. (Secretary of State.)

ANNUAL CORPORATION FRANCHISE TAX: Corporate capital, property and assets located in and employed in Wyoming are taxed. Corporations organized for profit pay an annual license tax based on the following schedule:

If assets located and employed in Wyoming are valued from—

\$0 to \$50,000	\$ 5
\$50,001 to \$100,000	10
\$100,001 to \$500,000	25
\$500,001 to \$1,000,000	50
\$1,000,000 and over, for each \$1,000,000 and fraction thereof	50

(Secretary of State.)

SALES TAX: 3% on retail sales. (Department of Revenue and Taxation.)

USE TAX: 3% on purchases brought into State. (Department of Revenue and Taxation.)

FUEL TAX: 7¢ per gallon on gasoline used on or off the highways and is collected at the pump. Tax on special fuels (i.e. Diesel, LPG, Etc.), is not collected at the pumps. Commercial vehicle monthly reports to the Wyoming Department of Revenue and pay at the rate of .001 mill per ton mile for highway use. Special fuel used for off-highway purposes is subject to 3% sales tax. (Department of Revenue and Taxation.)

RECEIVED AND RECORDED

APR 22 1976

WILLIAM P. CRYSTAL
SECRETARY OF STATE

BY

W.P.C.