

MEMORANDUM

TO: All Property Owners, General Contractors and Subcontractors
FROM: Cheryl E. Cummings, Tax and License Supervisor
RE: City of Bridgeport Contracting Requirements

As a General Contractor, Owner and/or Subcontractor, there are requirements to which you must adhere to maintain compliance with the laws set forth by the City of Bridgeport. The following is a list of these requirements:

- 1) All contractors must possess a West Virginia Contractors' License and a City of Bridgeport Municipal Registration prior to commencing work. The City has the right to impose a penalty of \$50.00 for working without a valid City Contractor's Registration and to stop work production if an unlicensed contractor is discovered.
 - a) The general contractor and all subcontractors will be required to pay two percent (2.0%) Business & Occupation Tax on the gross amount of their contracts for the work performed. All licensed contractors will be mailed a tax return every three months or quarterly to report income and remit the tax amount due

- 2) When a contractor is hired to begin a project to construct or renovate property located in the City of Bridgeport and this contractor hires subcontractors to assist them in their portion of the project they will then assume responsibility as a "General Contractor" for that particular phase of the project. Also, when the owner of the project hires and pays directly any subcontractors they will assume the responsibility as the "General Contractor" on those facets of the project. **Below is information on the requirements that the City imposes on those acting as a general contractor:**
 - a) All general contractors and the owners on a project are required by City Code 737.27 to withhold a **minimum** of two percent (2.0%) of the total contract amount for each subcontractor to meet Business and Occupation Tax. The 2.0% is to be withheld from the final payment to any sub-contractors that the GC and/or owner pays directly on the construction project. The subcontractor will be responsible to pay 100% B&O tax owed before receiving their final draw. Upon payment of the tax, the subcontractor must request a **certificate of release** from the City Tax & License Office which will be sent to the General Contractor showing that these taxes have been paid in full. The release will only be issued once the sub-contractor(s) pays 100% of the taxes due on their total contract amount. **If for some reason a sub-contractor does not pay the B&O taxes due, the General Contractor is responsible to pay these taxes.** Therefore, it is imperative to obtain this release to avoid possible tax liability that may be due on this project.

- 3) Additionally, **General Contractor/Sub-Contractor Report Forms** need to be completed by all General Contractors and/or property owners for the work performed by the GC as well as the work performed by each of their subcontractors they pay directly. These forms are generally submitted at the onset of the project and a final copy is to be submitted at the end of the project, unless otherwise required, to update the list of subcontractors, total contract amounts with change orders, date and amount of disbursements.

- 4) Questions and concerns can be submitted to me at (304) 842-8229, between the hours of 7:30 a.m. to 4:00 p.m. Monday through Friday. All forms are available on our website at www.bridgeportwv.com