

GULF COAST ELECTRONICS, INC. §
135 North Schillinger Road
Mobile, AL 36608, §

STATE OF ALABAMA
DEPARTMENT OF REVENUE
ADMINISTRATIVE LAW DIVISION

Taxpayer, §

vs. §

STATE OF ALABAMA §
DEPARTMENT OF REVENUE.

DOCKET NO. MISC. 94-434

FINAL ORDER

The Revenue Department assessed privilege license tax against Gulf Coast Electronics, Inc. ("Taxpayer") for the period October 1992 through September 1994. The Taxpayer appealed to the Administrative Law Division and a hearing was conducted on February 3, 1995 in Mobile. Don Gantt appeared for the Taxpayer. Assistant counsel Duncan Crow represented the Department.

The Taxpayer sells and installs satellite dishes in Mobile and the surrounding area. The issue in this case is whether the Taxpayer is liable for the "construction companies and contractors" license levied at Code of Ala. 1975, §40-12-84.

This is a close question. A business that sells and installs satellite dishes is generally not considered a "contractor" as that term is normally used. However, §40-12-84 is broadly worded to include any business "accepting orders or contracts for doing any work on or in any building or structure requiring the use of . . . cement . . . metallic piping . . . electric wiring . . . or any other building materials, . . .".

Installation of satellite dishes by the Taxpayer requires generally that a metal support pole must be anchored in the ground

or on a structure. The dish itself is then attached to the support and a wire run from the dish into a building. In my opinion, the above activity qualifies the installer as a "contractor" pursuant to §40-12-84.

The above holding is supported by a 1939 Alabama Attorney General's Opinion which held that a business engaged in erecting electrical transmission lines was liable for the contractor's license. That opinion states in part as follows:

One accepting a contract to erect an electrical transmission line from some given point to another given point, making the necessary excavations, erection poles, crossbeams and other appurtenances and stringing or securing electrical wires to such points, is liable for a contractor's license under (§84).

The Taxpayer testified at the administrative hearing that he does not object to paying the license as long as his competitors are also required to pay the license. I agree. The Taxpayer claims that he contacted a number of his competitors in the Mobile area and that none of them had obtained the contractor's license.

Those businesses should be checked by the Department to ensure that all taxpayers are being treated alike.

The final assessment in issue is affirmed. Judgment is accordingly entered against the Taxpayer for privilege license tax in the amount of \$948.14.

This Final Order may be appealed to circuit court within 30 days pursuant to Code of Ala. 1975, §40-2A-9(g).

Entered on February 15, 1995.

- 3 -

BILL THOMPSON
Chief Administrative Law Judge