

Withholding Fact Sheet 13, Construction Contracts with State or Local Government Agencies

No state agency or local unit of government can make final payment to a contractor (and any subcontractors) until the Minnesota Department of Revenue certified that they fulfilled their Minnesota withholding tax requirements.

This fact sheet explains how the contractor and subcontractor must send us a Contractor Affidavit to receive a Certificate of Compliance.

Other laws may also apply to construction contractors. For more information, see Withholding Fact Sheet 12, *Surety Deposits for Non-Minnesota Construction Contractors*.

Contractors and Subcontractors

The terms “contractor” and “subcontractor” are limited to those who supply labor, or a combination of labor and materials, for specific construction, repairs, rehabilitation or improvements. The terms do not include dealers, merchants, suppliers or contractors who only supply materials.

If you are a prime contractor, contractor, or subcontractor who does work on a project for the state of Minnesota or any of its local government subdivisions—such as a county, city or school district—you must file a Contractor Affidavit with us.

If we determine you have fulfilled your Minnesota withholding tax requirements, you will receive a Certificate of Compliance or the electronic equivalent. To receive your final payment, provide a copy of the certified Contractor Affidavit to the governmental unit or prime contractor who hired you.

How to File a Contractor Affidavit

Once you finish your work, you may submit your Contractor Affidavit either electronically or by mail.

Before we approve your Contractor Affidavit, you must file all withholding returns and make all payments due to us for your contract’s time period.

If you owe withholding tax, you must make your payment by certified funds before we can certify your Contractor Affidavit.

Electronically. To receive the results instantly, submit your Contractor Affidavit electronically. Go to www.revenue.state.mn.us and type **Contractor Affidavit** into the Search box.

If we approve your Contractor Affidavit, you will get a confirmation page along with an affidavit number. Print and keep the confirmation page for your records. To receive your final payment, give a copy of the confirmation page to the governmental unit or prime contractor who hired you. If we deny your Contractor Affidavit, we will provide the reason.

By mail. Complete Form IC134, *Contractor Affidavit*, and mail it to us at the address on the form. We must certify and return this Contractor Affidavit to you before you can receive final payment for your work. Allow up to six weeks for us to certify your Contractor Affidavit.

If you have fulfilled your Minnesota withholding tax requirements, we will sign your Contractor Affidavit and return it to you. To receive your final payment, give a copy of the certified Contractor Affidavit to the governmental unit or prime contractor who hired you.

Note: We do not provide affidavit numbers for paper Contractor Affidavits.

State and Local Governmental Units

When a contractor or subcontractor gives you a certified Contractor Affidavit upon completion of their work, review it for accuracy.

The electronic Contractor Affidavit confirmation should have a confirmation number and the date and time it was processed. The paper Form IC134 should be stamped and dated by us at the bottom. The dates the work began and ended should match the period the contractor’s workers were actually working on the job. All subcontractors should be listed on the prime contractor’s Contractor Affidavit.

Information and Assistance

Additional forms and information, including fact sheets and frequently asked questions, are available on our website.

Website: www.revenue.state.mn.us

Email: withholding.tax@state.mn.us

Phone: 651-282-9999 or 1-800-657-3594

This information is available in alternate formats.