

§ 1992. Tax Imposition on Gross Revenues from Qualifying Construction Projects.

- (a) In addition to the tax imposed under Chapter 3 of Division 1 of Title 4 of the Commonwealth Code and unless expressly exempted herein, a tax of 3% shall be imposed on the gross revenues of a General Contractor that are directly attributed to or derived from a Qualifying Construction Project.
- (b) For the purposes of subsection (a), the gross revenue surtax shall exclude revenues generated by or derived from construction of Residential Housing.
- (c) Revenues of a Subcontractor that are derived from construction activities performed on a Qualifying Construction Project are exempt from the tax imposed by this Section.
- (d) Revenues from construction activities derived from Qualifying Construction Projects arising from contracts awarded on or before January 15, 2025, are exempt from the tax imposed by this Section. The tax imposed by this Section shall apply to any and all Qualifying Construction Projects arising from contracts awarded or executed on or after January 16, 2025.

Provided further that any change orders or modifications initiated, executed, or effective after January 16, 2025 shall subject the amended or modified contracts to this provision if the change order or modification brings the contract within the scope of the Qualifying Construction Project, including but not limited to retroactively applying to all contracts initiated, executed, or effective prior to January 16, 2025 that did not originally fall within the definition and scope of the Qualifying Construction Project absent the change order or modification.

Source: PL 23-31, § 2 (Jan. 10, 2025).