

SPECIAL EDITION

INDUSTRY NEWS UPDATE

3% WITHHOLDING ON GOVERNMENT CONTRACTS: As of June 1, 2013, federal, state, and local governments will withhold and send to the Internal Revenue Service (IRS) 3 percent from each and every payment to contractors for goods and services. This withholding does not just apply to construction contracts; it applies to all contracts. This requirement applies to all government entities with total budgets of at least \$100 million, and construction contractors are not alone. Payments for all goods and services under government contracts will be affected, as well as payments to any person for a service or product to a government entity, even Medicare and certain grants.

AGC of California is fighting the fight on behalf of our contractors, and as we push for legislation to do away with this costly new mandate, we are asking each of you to take a few short minutes to complete a brief survey prepared by AGC of America. Just click on the following link to access the survey:

<http://www.surveymonkey.com/s/MMLNPXF>

While individual responses will be anonymous, the broad survey results will be used to prepare information packets that AGC intends to share with the media and members of Congress to explain exactly why repealing the new 3 percent withholding tax provision is one of the association's top legislative priorities.

Also, AGC encourages you to contact Congress to repeal this provision. Take a moment and visit the [AGC of America](http://www.agc-america.com) website where you can use provided tools to ask your Representative to cosponsor H.R. 674, and your Senators to cosponsor S. 89 or S. 164 which would permanently repeal the requirement. Finally, we encourage you to contact the **AGC Northern California Industrial Relations Department** at (925) 827-2422 if you have any questions and we are also very interested in any comments you may have.

WELCOME ABOARD



Whitton, second from left.

NEW DISTRICT ASSISTANT JOINS AGC STAFF: **Kristina Whitton** recently joined the AGC Concord Office staff as district assistant for the North Bay, San Francisco Bay Area, Santa Clara and Monterey Bay districts. Her primary duties will center around supporting the activities of these districts. She can be reached at (925) 827-2422.