

ALABAMA DEPARTMENT OF REVENUE  
INDIVIDUAL AND CORPORATE TAX  
ADMINISTRATIVE CODECHAPTER 810-3-11  
INVENTORY

## TABLE OF CONTENTS

## 810-3-11-.01      Inventory Procedures

810-3-11-.01      Inventory Procedures.

When the production, purchase, or sale of merchandise is an income producing factor, inventories at the beginning and ending of each taxable year are necessary in order to correctly compute income. In these cases, inventories shall be taken, computed and used in accordance with the methods prescribed or permitted by the Internal Revenue Service pursuant to 26 U.S.C. §§ 263A, 471, 472 and 474 and regulations thereunder.

**Author:** Ewell Berry, Ann F. Winborne, CPA, Ed Cutter, CPA

**Statutory Authority:** Code of Ala. 1975, §§ 40-2A-7(a)(5), 40-18-11.

**History:** Rule effective October 1, 1982. **Amended:** Filed July 27, 1988; May 15, 1992. **Amended:** Filed September 18, 1996; effective October 23, 1996. **Amended:** Filed April 28, 1999; effective June 2, 1999.