ALABAMA DEPARTMENT OF REVENUE
SALES AND USE TAX DIVISION
ADMINISTRATIVE CODE

CHAPTER 810-6-3
EXEMPTIONS FROM SALES AND USE TAX

TABLE OF CONTENTS

810-6-3-.01	Exemptions for Agricultural Products Sold by the Producer
810-6-3-.01.01	Agriculture, Definition Of
810-6-3-.01.02	Livestock, Definition Of
810-6-3-.01.03	Fencing For Agriculture Livestock Applications
810-6-3-.01.04	Agriculture Authorities
810-6-3-.02	Alabama State Bar
810-6-3-.03	American National Red Cross
810-6-3-.03.01	(Reserved)
810-6-3-.03.02	Automotive Vehicles, Certificate Of Exemption - Out-Of-State/City/County Delivery Form
810-6-3-.04	Baby Chicks And Poults (Repealed)
810-6-3-.05	Blackstrap Molasses Sold For Consumption By Livestock (Repealed 7/9/98)
810-6-3-.06	Bone Meal And Oyster Shells Sold For Consumption By Livestock (Repealed 7/9/98)
810-6-3-.06.01	(Reserved)
810-6-3-.06.02	(Reserved)
810-6-3-.06.03	(Reserved)
810-6-3-.06.04	Boxing And Wrestling Matches Staged By National Guard
810-6-3-.07	Canteens Of Alabama National Guard
810-6-3-.07.01	(Reserved)
810-6-3-.07.02	(Reserved)
810-6-3-.07.03	(Reserved)
810-6-3-.07.04	(Reserved)
810-6-3-.07.05	Charitable And Non-Profit Organizations And Institutions
810-6-3-.07.06	United Appeal Funds And Supported Charities
810-6-3-.08	Chicken Litter (Repealed 6/12/2023))
810-6-3-.09	Chinchillas, Hampsters, Mice, And Rabbits
810-6-3-.10	(Reserved)
810-6-3-.11	Cotton Seed Meal
810-6-3-.12	Cotton Seed Meal Exchanged For Cotton Seed

810-6-3-.12.01	(Reserved)
810-6-3-.12.02	Credit Unions, Federal And State Chartered, Sales By
810-6-3-.13	Defense Plant Corporation
810-6-3-.14	Department Of Pensions And Security
810-6-3-.15	Federal Charge Card Program, Exemption Certification
810-6-3-.16	Federal And State Chartered Credit Unions
810-6-3-.17	Federal Production Credit Associations
810-6-3-.18	Federal Savings And Loan Associations
810-6-3-.19	Feed For Livestock And Poultry
810-6-3-.20	Fertilizer
810-6-3-.20.01	Exemption Certification Form Respecting Fertilizers, Insecticides, Fungicides, And Seedlings (Form ST: EXC-1)
810-6-3-.21	Sales of Fish, Bait, and Minnows
810-6-3-.22	Florists, Sales Of Nursery Stock And Floral Products By Florists
810-6-3-.23	Fluid, Milk
810-6-3-.23.01	Food Banks
810-6-3-.24	Sales to Foreign Governments, Diplomatic And Consular Officials
810-6-3-.24.01	Foreign Diplomatic And Consular Officials (Repealed 8/5/15)
810-6-3-.25	Fuel Oil Used In Firing Kilns
810-6-3-.26	Gas Districts
810-6-3-.27	Gases: Acetylene, Oxygen, Hydrogen (Repealed 12/10/97)
810-6-3-.28	Gasoline, Motor Fuels, And Lubricants
810-6-3-.29	Grass Sod
810-6-3-.30	Grease Protective, When Exempt From Sales And Use Tax (Repealed 7/30/98)
810-6-3-.31	Herbicides (Repealed 6/12/2023)
810-6-3-.32	Historical Preservation Authorities
810-6-3-.33	Industrial Development Board
810-6-3-.34	Insecticides And Fungicides
810-6-3-.35	Interstate Shipments Subject To Sales Tax
810-6-3-.35.01	Interstate Commerce
810-6-3-.35.02	Interstate Commerce, Sales In
810-6-3-.36	Liquefied Petroleum Gas, Liquefied Natural Gas and Compressed Natural Gas
810-6-3-.36.01	Liquefied Petroleum Gas, Exempt From Sales Tax
810-6-3-.37	Livestock. All Sales Of Livestock Are Exempted From Sales Tax (Repealed 3/17/23)
810-6-3-.37.01	Meals Furnished Along With Rooms By Schools And Colleges (Repealed 8/14/22)

810-6-3-.37.02	Exemption From Lodgings Tax For Film Production Companies Approved By The Alabama Film Office (Repealed 2/10/12)
810-6-3-.37.03	Exemption For Certain Items Furnished To Medicaid Recipients
810-6-3-.38	Medical Clinic Boards
810-6-3-.39	Motor Freight Lines, Sales To
810-6-3-.39.01	(Reserved)
810-6-3-.39.02	Motor Freight Lines, Sales To (Repealed 1/14/23)
810-6-3-.40	Municipal Housing Authority
810-6-3-.41	Exemption For Municipal Special Health Care Facilities
810-6-3-.41.01	Exemption For Certain Health Care Authorities
810-6-3-.41.02	Exemption For Improvement Districts
810-6-3-.42	National Farm Loan Associations
810-6-3-.42.01	(Reserved)
810-6-3-.42.02	Nonresidents, Sales To
810-6-3-.42.03	Sales Of Certain Automotive Vehicles To Nonresidents For First Use And Registration Or Titling Outside Alabama
810-6-3-.43	Nurserymen - Sales Of Plants, Seedlings, Nursery Stock And Floral Products
810-6-3-.43.01	(Reserved)
810-6-3-.43.02	(Reserved)
810-6-3-.43.03	(Reserved)
810-6-3-.43.04	(Reserved)
810-6-3-.43.05	Paper Manufacturers - Items Used Not Subject To Tax Or Exempt (Repealed 11/3/98)
810-6-3-.44	Parakeets, Parrots, Canaries
810-6-3-.45	Peat Moss
810-6-3-.46	Air And Water Pollution Control Exemption
810-6-3-.46.02	Post Office, Sales To The
810-6-3-.47	Poultry Products
810-6-3-.47.01	Prescription Drugs
810-6-3-.47.02	Exemption From Sales And Use Tax For Privately Owned Educational Institutions
810-6-3-.47.03	Property To State, City, Or County For Use By Public Schools, Sales Of
810-6-3-.47.04	Public Schools, Sales To
810-6-3-.47.05	Public Schools - Athletic Equipment, Sales To
810-6-3-.47.06	Public Schools, Public School Principals Or Teachers, Etc., Sales To
810-6-3-.48	Repairs To Equipment, When Not Subject To Tax
810-6-3-.48.01	(Reserved)

810-6-3-.48.02	(Reserved)
810-6-3-.48.03	(Reserved)
810-6-3-.48.04	(Reserved)
810-6-3-.48.05	Exemption For Certain Purchases By Film Production Companies Approved By The Alabama Film Office (Repealed 2/10/12)
810-6-3-.49	Redevelopment Authorities
810-6-3-.50	Credit Card Transaction Fees
810-6-3-.51	Municipal Sales And Use Taxes And Gross Receipts Taxes (Repealed 9/5/13)
810-6-3-.52	State Sales, Use, And Lodgings Tax Exemption For Qualified Production Companies
810-6-3-.53	(Reserved)
810-6-3-.54	(Reserved)
810-6-3-.55	(Reserved)
810-6-3-.56	(Reserved)
810-6-3-.57	(Reserved)
810-6-3-.58	(Reserved)
810-6-3-.59	(Reserved)
810-6-3-.60	(Reserved)
810-6-3-.61	(Reserved)
810-6-3-.62	(Reserved)
810-6-3-.63	(Reserved)
810-6-3-.64	(Reserved)
810-6-3-.65	Sales Tax Holiday For “Back-To-School”
810-6-3-.66	Sales Tax Holiday For Severe Weather Preparedness
810-6-3-.67	Sheriff's Purchases
810-6-3-.67.01	(Reserved)
810-6-3-.67.02	Ships, Sales Of
810-6-3-.67.03	Ships, Sales To
810-6-3-.67.04	Certificate Of Exemption - Fuel And/Or Supplies Purchased For Use Or Consumption Aboard Vessels Engaged In Foreign Or International Commerce Or In Interstate Commerce
810-6-3-.68	Ships, Vessels And Barges - Fifty Tons Burden Definition And Method Of Determination (Repealed)
810-6-3-.68.01	Load Displacement Of Vessels, Barges, Ships, Other Watercraft, And Commercial Fishing Vessels
810-6-3-.69	Stale Bread And Table Waste Sold For Consumption For Livestock (Repealed 7/9/98)
810-6-3-.69.01	(Reserved)
810-6-3-.69.02	Exemption For United States, State, County, City, And Other Exempt Entities From The Payment Of Sales Tax, And Purchases Made Through The Use Of Purchasing Agents

810-6-3-.70	**(Reserved)**
810-6-3-.71	**Ties And Timbers - When Not Subject To Tax (Repealed 10/20/98)**
810-6-3-.72	**Tung Meal**
810-6-3-.72.01	**(Reserved)**
810-6-3-.72.02	**United States, Sales To**
810-6-3-.72.03	**(Reserved)**
810-6-3-.72.04	**(Reserved)**
810-6-3-.72.05	**Vitamins, Minerals, And Dietary Supplements**
810-6-3-.73	**Warranty Parts - Manufacturer's Warranty**
810-6-3-.74	**Wrapping Paper, Poultry Processors (Repealed 7/30/98)**
810-6-3-.75	**Septic Tanks**
810-6-3-.76	**Property Purchased for Export and Sales Tax Refunds on Certain Purchases of Tangible Personal Property in Alabama for Export to and Use in a Foreign Country.**
810-6-3-.77	**Exemption For Certain Purchases By Contractors And Subcontractors In Conjunction With Construction Contracts With Certain Governmental Entities And Statutorily Exempt Entities**
810-6-3-.78	**Sales Of Aircraft Manufactured, Sold and Delivered In Alabama**
810-6-3-A	**Appendix A**

810-6-3-.01 Exemptions for Agricultural Products Sold by the Producer.

(1) There are various exemptions in the sales and use tax statutes relative to agricultural products sold by the producer. These exemptions are codified in §40-23-4(a), Code of Ala. 1975. A sale of agricultural products that does not qualify for one of these exemptions may still qualify for another.

(2) Products of the farm, dairy, grove, or garden are exempt from sales and use tax when the products (i) are sold by the producer, by members of the producer's immediate family, or by persons employed by the producer to assist in the production of the products and (ii) have not been processed, except to the extent that the products are customarily processed by operators of farms, dairies, groves or gardens in preparing products for market.

(a) This exemption does not apply to agricultural products sold by the producer through a store which the producer operates. (Curry v. Reeves, 195 So. 428 (Ala. 1940)).

(b) Unlike the exemption outlined in paragraph (3) below, this exemption is not limited to products that are planted or cultivated, and harvested by the producer. Examples of products that may qualify for this exemption but not the exemption in paragraph (3) include but are not limited to milk, eggs, catfish, minnows, bees, honey, rabbits, and hamsters produced on farms.

(3) Fruit or other agricultural products are exempt from sales and use tax when sold by the person or company that planted or cultivated, and harvested the products on land owned or leased by them. Unlike the exemption outlined in paragraph (2) above, this exemption is not lost to the producer who sells qualifying agricultural products through a store operated by the producer.

(4) Sales of agricultural products which otherwise qualify for one or both of the exemptions outlined in paragraphs (2) and (3) above, do not lose their exempt status if the products, retain their raw, unprocessed form when prepared by the producer for marketing or merchandising. Prepared agricultural products that do not lose their exempt status when they otherwise qualify for one or both exemptions outlined in paragraphs (2) and (3) include, but are not limited, to raw pecans or peanuts when cracked or shelled, raw shelled peas or beans, raw shucked corn, and raw washed fruits and vegetables.

(5) Beginning October 1, 2022 through September 30, 2027, unless extended by an act of the legislature, producer value added agricultural products are exempt from sales and use taxes when the sale is made by the producer, the producer's immediate family, or by the producer's employees. Producer value added agricultural products are fruits or other agricultural products that have undergone some degree of further processing by the original producer of the agricultural product, including but not limited to bound cut flowers, jams, jellies, and boiled or roasted peanuts._
Author: Michelle Mayberry, Dan DeVaughn, Christy Vandevender
Statutory Authority: §§40-2A-7(a)(5), 40-23-1, 40-23-4(a), 40-23-31, 40-23-83, Code of Ala. 1975.
History: Filed September 28, 1982. Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993. **Amended:** Filed June 25, 1998; effective July 30, 1998. **Amended:** Filed June 25, 1998; effective July 30, 1998. **Amended:** October 17, 2018; effective December 1, 2018. **Amended:** Published August 31, 2026; effective October 15, 2026.

810-6-3-.01.01 Agriculture, Definition Of.

(1) For purposes of interpreting references in the sales and use tax statutes to agriculture and agricultural purposes, the term "agriculture" is defined to be the art or science of cultivating the ground, or raising and harvesting crops on land owned or

leased by the person who planted or cultivated and harvested the agricultural crops, including also feeding, breeding, and management of livestock and poultry; tillage; husbandry, farming.

(2) The following items or areas fall within the definition of agriculture:

(a) tree farming

(b) raising horticultural products in commercial greenhouses and nurseries

(c) fruit and nut trees (whether or not in groves or orchards)

(d) vegetable gardens (whether or not on farms) (e) livestock farming

(f) dairy farming

(g) commercial fish ponds

(h) commercial sod farms

(i) poultry and egg farming

(3) The following items or areas do not fall within the definition of agriculture:

(a) lawns, shrubbery, and flower beds around residential and business property

(b) golf courses, baseball or football fields (c) highway, railroad, or utility right-of-way (d) shade trees (other than fruit or nut trees) (e) house plants

(f) commercial pest control services

Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993. **Amended:** Filed January 11, 2019; effective February 25, 2019.

810-6-3-.01.02 Livestock, Definition Of.

(1) In accordance with the guidelines for interpretation outlined in Brundidge Milling Co. v. State, 45 Ala. App. 208, 228 So. 2d 475 (1969); the term "livestock" as used in Title 40, Chapter 23 of Code of Ala. 1975, and in the sales and use tax regulations shall mean cattle, swine, sheep, goats, and members of the equidae family of mammals such as horses, mules, and donkeys.

(2) Animals other than those enumerated above do not fall within the term "livestock."
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed with LRS March 9, 1994. **New Rule:** Filed June 15, 1994; effective July 20, 1994.

810-6-3-.01.03 Fencing For Agriculture Livestock Applications.

(1) Beginning on October 1, 2024, and ending on September 30, 2029, up to $25,000 from the sale of fencing materials, such as t-posts, wood posts, barbed wire, net wire, smooth wire, standard metal gates, and other like materials used for the purpose of fencing in agriculture livestock applications are exempt from state sales and use taxes.

(2) This exemption does not apply to county or municipal sales taxes unless approved by resolution or ordinance adopted by the local governing body.

(3) To qualify for this exemption, the retail purchaser must provide the seller with affidavit Form ST:EXC-2 confirming the purchased material is strictly for an agriculture livestock application. The completed affidavit will relieve the seller of the obligation to collect the tax.
Author: Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-2, 40-23-31, 40-23-62, 40-23-83.
History: **New Rule:** Published October 31, 2024; effective December 15, 2024.

810-6-3-.01.04 Agriculture Authorities.

1. Definitions

a. Authority – An agriculture authority established pursuant to Article 3 of Chapter 20 of Title 11, Code of Ala. 1975.

b. Department – The Alabama Department of Revenue

2. State Lodgings Tax Rebate

a. Effective October 1, 2025, all state lodgings taxes collected and remitted by an authority shall be rebated to the authority by the department.

b. Prior to claiming the initial rebate, the authority shall:

1. Apply for a lodgings tax account number.

2. Notify the department of its intent to claim a rebate of state lodgings tax by submitting such information to the department by email to localtaxunit@revenue.alabama.gov.

c. Within thirty days from receipt of proper notification as required in subsection (b), the department shall provide acknowledgement of receipt to the authority.

d. To claim the rebate, the authority should timely file the state lodgings tax return as follows:

1. The amount of charges for rooms, lodgings, or accommodations should be entered in the "Total Gross Charges" box on the state lodgings tax return.

2. The amount of charges for rooms, lodgings, or accommodations should be entered as a deduction in the "Total Deductions" box on the state lodgings tax return.

Author: Christy Vandevender
Statutory Authority: § 40-2A-7(a)(5), Code of Ala. 1975 and Act 2025-301
History: **New Rule:** Published September 30, 2025; effective November 14, 2025.

810-6-3-.02 **Alabama State Bar.**

The Alabama State Bar is an instrumentality of the state (§34-3-105, Code of Ala. 1975) and is not subject to sales or use taxes on the property purchased for use in carrying on any activity they are authorized to engage in by law.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(11), 40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.03 American National Red Cross.

The American National Red Cross is an agency of the United States; its purchases are exempt from the sales and use tax.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(17), 40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.03.01 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.03.02 Automotive Vehicles, Certificate Of Exemption - Out-Of-State/City/County Delivery Form.

(1) When a dealer sells an automobile, motorcycle, truck, truck trailer, travel trailer, camper, housecar, or semitrailer and delivers it outside Alabama, or outside the city and/or county in which the dealer is located, a portion of the sales tax due may be exempt. Any sales tax exemption claim based on the delivery location shall be supported by an affidavit of the dealer and the buyer and by an affidavit of the person making delivery of the vehicle, trailer, camper, housecar, or semitrailer. The required affidavits must be recorded on the Certificate of Exemption-Out of State/City/County Delivery form provided by the department.

(2) No sale of any automobile, motorcycle, truck, truck trailer, travel trailer, camper, housecar, or semitrailer will be recognized as having been delivered outside Alabama or outside the city and/or county in which the dealer is located, unless the dealer maintains a valid Certificate of Exemption-Out of State/ City/County Delivery form for each such sale.

(3) This rule does not apply to a sale of an automobile, motorcycle, truck, truck trailer, travel trailer, camper, housecar, or semitrailer to a person who takes delivery of the vehicle, trailer, or semitrailer inside Alabama and removes it within 72 hours for first use and registration or titling outside Alabama. See Rule 810-6-3-.42.03, entitled Sales of Certain Automotive Vehicles to Nonresidents for First Use and Registration or Titling Outside Alabama, for the requirements necessary to document a sale that qualifies for the 72-hour drive-out exclusion contained in §40-23-2(4), Code of Ala. 1975.
Author: Christy Vandevender

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-2(4), 40-23-4(17), 40-23-31.
History: **Amended:** August 16, 1974; November 3, 1980. Filed September 28, 1982. **Amended:** Filed April 28, 1988. **Amended:** Filed June 25, 1998; effective July 30, 1998. **Amended:** Filed June 2, 2006; effective July 7, 2006. **Amended:** Published September 30, 2022; effective November 14, 2022.

810-6-3-.04 Baby Chicks And Poults (Repealed).

(REPEALED)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(3), 40-23-31.
History: Filed September 28, 1982. **Repealed:** Published September 30, 2022; effective November 14, 2022.

810-6-3-.05 Blackstrap Molasses Sold For Consumption By Livestock (Repealed 7/9/98).

(Repealed)
Author: Patricia A. Estes
Statutory Authority: Code of Ala. 1975, §§40-23-4(3), 40-23-31.
History: Filed September 28, 1982. **Repealed:** Filed June 4, 1998; effective July 9, 1998.

810-6-3-.06 Bone Meal And Oyster Shells Sold For Consumption By Livestock (Repealed 7/9/98).

(Repealed)
Author: Patricia A. Estes
Statutory Authority: Code of Ala. 1975, §§40-23-4(4), 40-23-31.
History: Filed September 28, 1982. **Repealed:** Filed June 4, 1998; effective July 9, 1998.

810-6-3-.06.01 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.06.02 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.06.03 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.06.04 Boxing And Wrestling Matches Staged By National Guard.

Boxing and wrestling matches staged by the National Guard in National Guard Armories or on property adjacent thereto controlled by the National Guard are exempted from sales tax where such matches are held in accordance with the provisions of Section 31-2-56, Code of Ala. 1975, as Amended.
Author: Horace Hitt
Statutory Authority: Code of Ala. 1975, §40-23-31.
History: Adopted October 8, 1985.

810-6-3-.07 Canteens Of Alabama National Guard.

(1) Canteens and exchanges of the Alabama National Guard and the Alabama Naval Militia are not required to collect or pay sales tax where:

(a) Established and operated in accordance with rules and regulations issued by the Adjutant General and approved by the Governor, and where,

(b) Owned, operated, and run exclusively by National Guard or Naval Militia units for the convenience and benefit of the active and retired members of the National Guard and Naval Militia, and pursuant to Act #2006-195, all other active and retired members of the United States Armed Forces (Section 31-2-81), and where,

(c) Profits of such canteens or exchanges go to the units and not to the persons operating them.

(2) The canteens and exchanges established and operated as described above are not subject to sales tax on purchases for use in such operations. (Section 40-23-4(a)(11))
Author: Donna Joyner
Statutory Authority: Code of Ala. 1975, §§31-2-81, 40-2A-7(a)(5), 40-23-4(11), 40-23-31.
History: Filed September 28, 1982. **Amended:** Filed October 4, 2006; effective November 8, 2006.

810-6-3-.07.01 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.07.02 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.07.03 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.07.04 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.07.05 Charitable And Non-Profit Organizations And Institutions.

(1) Unless specifically exempted by statute, charitable and nonprofit organizations and institutions are subject to the sales and use tax levied under Title 40, Chapter 23, Code of Ala. 1975, and related collection, remittance, and reporting requirements.

(a) Entities, other than governmental entities as defined in §40-9-60, Code of Ala. 1975, which have a statutory exemption are required to obtain a Certificate of Exemption (Form STE-1) in accordance with Rule 810-6-5-.02.01 and file an informational report in accordance with Rule 810-6-5-.02.02. (§40-9-61)

(b) The validity of a certificate of exemption can be verified through the department's electronic filing system or by contacting a department representative.

Author: Debbie Lee
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), Title 40 Chapters 9 and 23, Rules 810-6-5-.02.01, 810-6-5- .02.02.

History: Readopted through APA effective October 1, 1982, Filed December 5, 1984. **Amended:** January 10, 1985. **Amended:** Filed January 19, 1988; June 2, 1989; December 22, 1989; November 1, 1990; May 6, 1992. **Amended:** Filed September 7, 1993; effective October 12, 1993. **Amended:** Filed August 30, 1994; effective October 4, 1994. **Amended:** Filed December 1, 1995; effective January 5, 1996. **Amended:** Filed October 1, 1996; effective November 5, 1996. **Amended:** Filed August 27, 1997; effective October 1, 1997. **Amended:** Filed February 3, 1998; effective March 10, 1998. **Amended:** Filed September 15, 1998; effective October 20, 1998. **Amended:** Filed January 4, 2001; effective February 8, 2001. **Amended:** Filed July 8, 2011; effective August 12, 2011. **Amended:** Filed December 19, 2012; effective January 23, 2013. **Amended:** Filed April 26, 2019; effective June 10, 2019.

810-6-3-.07.06 United Appeal Funds And Supported Charities.

(1 The Tax Exemption Reform Act of 2017 (Act 2017-149), amends Section 40-9-12, Code of Ala.1975, and provides that a united appeal fund and any supported charity of the united appeal fund, that holds a valid sales and use tax certificate of exemption as of July 1, 2017, are exempt from the payment of any and all state, county, and municipal taxes, licenses, fees and charges of any nature whatsoever, including any privilege or excise tax heretofore or hereafter levied by the State of Alabama or any county or municipality thereof.

(2) A united appeal fund, as defined in Section 40-9-12(d), is any nonprofit entity that demonstrates to the reasonable satisfaction of the Department of Revenue that it has all of the following characteristics:

(a) Is an Alabama nonprofit corporation, or another type of legal entity, whether formed in Alabama or in another jurisdiction, which is required by its principal governing documents to be operated as a charity.

(b) Is one of a class, donations to which are deductible for federal and Alabama income tax purposes under Section 170(c) of the Internal Revenue Code.

(c) Has as its principal purpose, as stated by its principal governing documents, the raising of funds or the aggregation or consolidation of fund-raising efforts, to support other charities which are not themselves united appeal funds, known as supported charities.

(d) The united appeal fund has been issued a Certificate of Exemption from Alabama sales, use and lodgings tax prior to July 1, 2017, and has continually maintained the Certificate of Exemption as required by Section 40-9-60.

(e) With respect to the distribution of funds raised by the united appeal fund, the entity's principal governing documents must require that no supported charity, as defined in this subsection, will receive de minimus support. (Section 40-9-12(c)(2)).

(3) A supported charity is any charitable, civic or eleemosynary institution for which a united appeal fund solicits funds. (Section 40-9-12(c)(1)).

(a) Each supported charity must be separately identified by name in the principal governing documents of the united appeal fund entity.

(b) Each supported charity must agree, in its own principal governing documents, to become or remain a member of the united appeal fund that funded the supported charity. (Section 40-9-12(d)(1)).

(4) Also effective July 1, 2017, as a condition for united appeal funds and supported charities to keep their exempt status, the united appeal fund or supported charity must:

(a) attach its respective governing documents to requests for a Certificate of Exemption renewal, and

(b) continuously maintain its Certificate of Exemption without allowing it to expire or otherwise lapse.

(5) If its Certificate of Exemption is not timely renewed, the united appeal fund or supported charity loses the exemption.

(6) The term "governing documents" as used in this rule shall mean:

(a) Incorporation, Certificate of Incorporation, Certificate of Formation, Charter, or other like document, and also such corporation's Bylaws, and Resolutions adopted by the corporation's board of directors or other highest authority.

(b) In the case of Nonprofit Entities other than corporations, the document or certificate by which the entity was created (whatever the title of such document may be), and rules, regulations, and resolutions adopted by the person or persons with the highest or paramount authority to act on behalf of the entity, which bind the entity and all its agents and employees.

(7) No new united appeal funds will be approved for a Certificate of Exemption after July 1, 2017.

(8) All united appeal funds and supported charities must comply with requirements to file informational reports as outlined in Sales and Use Tax Rule 810-6-5-.02.02.
Author: Michele Mayberry, Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-31, 40-23-83, 40-9-12, 40-9-60, 40-9-61.
History: **New Rule:** Filed December 4, 2017; effective January 18, 2018.

810-6-3-.08 Chicken Litter (Repealed 6/12/2023)).

REPEALED
Author: Patricia A. Estes
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-4(a)(28), 40-23-31, 40-23-62(28), 40-23-83.
History: Filed September 28, 1982. **Amended:** Filed June 4, 1998; effective July 9, 1998. **Repealed:** Published April 28, 2023; effective June 12, 2023.

810-6-3-.09 Chinchillas, Hampsters, Mice, And Rabbits.

(1) Chinchillas, hamsters, mice, and rabbits are not livestock and sales of such animals are subject to sales or use tax unless they are products of a farm and sold by the producer or for him by a member of his family or by a person employed to assist in the production thereof. [Sections 40-23-2(1), 40-23-4(a)(5), 40-23-61(a), and 40-23-62(8)]

(2) Sales of chinchillas, hamsters, mice, and rabbits by the producer do not qualify for the exemption contained in Section 40-23-4(a)(44) for sales of agricultural products by the person or corporation that planted, cultivated, and harvested such agricultural products.

(3) Since the above animals are not classified as livestock, their feed is not exempt from sales and use tax.

(4) The term "farm" as used herein is understood to mean a place in a rural area on premises which include cultivated areas that is operated by a person that is commonly known as a farmer or a person who cultivates or manages a portion of land.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Adopted March 9, 1961. **Amended:** November 1, 1963; June 12, 1978. Filed September 28, 1982. Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993.

810-6-3-.10 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.11 Cotton Seed Meal.

Cottonseed meal is exempt from sales and use tax when sold for use as a feedstuff for livestock or poultry. It is not exempt as a fertilizer when sold in pure form unmixed with other ingredients. See Rule 810-6-3-.12, Cottonseed Meal Exchanged For Cottonseed. [Sections 40-23-4(a)(2), 40-23-4(a)(4), 40-23-62(5) and 40-23-62(7)]
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed September 28, 1982. **Amended:** Effective March 24, 1993.

810-6-3-.12 Cotton Seed Meal Exchanged For Cotton Seed.

Cotton seed meal exchanged for cotton seed in a transaction taking place at a cotton gin is not subject to sales or use tax. The exchange may be either between the owner of the seed and the ginner or between the owner of the seed and a third party who takes possession of the seed at the gin. Where the cotton seed is delivered at the gin to the ginner or to the third party, the transaction may be completed by acceptance of the cotton seed meal at a warehouse or other storage place not at the gin without loss of the exemption. Where the cotton seed meal given in exchange is of greater value than the cotton seed received, the ginner or third party shall collect and pay to the State of Alabama sales tax measured by the amount received in payment of the difference.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-5(6), 40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.12.01 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.12.02 Credit Unions, Federal And State Chartered, Sales By.

(1) Sales of tangible personal property by a federally chartered credit union are exempt from sales tax. A federally chartered credit union is an instrumentality of the Federal Government and, therefore, exempt from tax.

(2) Sales of tangible personal property by a state chartered credit union are subject to the sales tax.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Adopted June 12, 1978. Filed September 28, 1982.

810-6-3-.13 Defense Plant Corporation.

(1) The Defense Plant Corporation is an instrumentality of the United States. Sales to this corporation or its agents acting for it are not subject to the sales tax.

(2) The purchase order of the agents of this corporation, when making purchases for the use and benefit of the corporation, must plainly state that the purchases are being made by the agent "acting for and on behalf of the corporation."
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(14), 40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.14 Department Of Pensions And Security.

Sales to county departments of human resources are sales to counties and are exempted from sales and use tax. Sections 40-23-4(a)(11) and 40-23-62(13)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-31, 40-23-83.
History: Adopted March 9, 1961. **Amended:** November 1, 1963. Filed September 28, 1982. **Amended:** Filed February 3, 1998; effective March 10, 1998.

810-6-3-.15 Federal Charge Card Program, Exemption Certification.

(1) Sales of tangible personal property to the United States government, its departments, or its agencies are exempt from state, county, and municipal sales and use tax provided the sales are billed directly to the United States government and paid for by the United States government with government funds.

(2) Charges for rooms, lodgings, or other accommodations furnished to the United States government, its departments, or its agencies are exempt from state, county, and municipal lodgings tax provided the charges are billed directly to the United States government and paid for by the United States government with government funds. (Department Rule 810-6-5-.13.)

(3) The United States General Services Administration (GSA) sponsors a federal charge card program, SmartPay, providing charge card services to federal governmental agencies and departments for the conduct of official business. Sales of tangible personal property and charges for renting or furnishing rooms, lodgings, or accommodations that are paid by federal charge cards are exempt from state and local sales, use and lodgings tax when the charge card account is billed directly to and paid directly by the United States government. Sales of tangible personal property and charges for renting or furnishing rooms, lodgings, or accommodations that are paid by federal charge cards are subject to state and local sales, use or lodgings tax when the federal employee pays the charge card account with their own funds and receives reimbursement from the United States government.

(4) A vendor or lodgings provider making sales of tangible personal property or renting or furnishing rooms, lodgings, or accommodations where payment is made by a federal charge card that is billed to and paid directly by the federal government shall retain a copy of the invoice and a completed exemption certification in the following form, Form ST-GSA, to substantiate that the transaction is exempt from sales, use or lodgings tax.

ALABAMA DEPARTMENT OF REVENUE
SALES, USE & BUSINESS TAX DIVISION
EXEMPTION CERTIFICATION RESPECTING CERTAIN PURCHASES OF
TANGIBLE PERSONAL PROPERTY OR LODGINGS
MADE THROUGH THE FEDERAL CHARGE CARD PROGRAM

Business Name:

_____

Address:

_____

_____

THIS PART TO BE COMPLETED BY THE CARDHOLDER:

I hereby certify that the purchase of tangible personal property or purchase of lodgings and accommodations that is being made under this exemption certification is for the official use of the Federal Government, is a debt of the Federal Government, and the charges will be paid with a federal charge card that is centrally billed to and paid by the Federal Government.

Federal Charge Card Type (Purchase, Fleet, Travel, or Integrated):
_____

Federal Charge Card Account Number:

_____

Federal Agency/Department:

_____

Agency/Department Telephone Number:

_____

Date(s) of Occupancy (if applicable):

_____

Signature of Federal Employee:_____Date:_____

Name of Federal Employee:_____Title:_____

(5) In lieu of utilizing the exemption certification form, written documentation of the same information as required on the certification may be retained by the vendor or provider of lodgings and accommodations to substantiate that the transaction is exempt from tax.
Author: Deborah Lee
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-4(17), 40-23-62(2), 40-26-19.
History: **New Rule:** Filed December 1, 2009; effective January 5, 2010.

810-6-3-.16 Federal And State Chartered Credit Unions.

The sale to, or use by, a Federal or State chartered credit union of tangible personal property in this State is not subject to sales or use taxes.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(17), 40-23-31, 40-23-83.
History: Adopted March 9, 1961. **Amended:** July 27, 1974. Filed September 28, 1982.

810-6-3-.17 Federal Production Credit Associations.

Sales of property to federal production credit associations for use in conducting the activities of such associations as authorized by Federal statutes are not subject to the sales tax; provided, however, this exemption does not apply with respect to any federal production credit association after the stock held in it by the production credit corporation has been retired.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(17), 40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.18 Federal Savings And Loan Associations.

(1) Alabama sales or Alabama use taxes, whichever may apply, are due on property sold to federal savings and loan associations.

(2) The only limitation placed upon the taxation of a federal savings and loan association is that the tax imposed on the federal institution shall not be greater than that imposed on other similar local mutual or cooperative thrift and home financing institutions.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-2(1), 40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.19 Feed For Livestock And Poultry.

(1) Sales of feed for livestock and poultry (not including prepared food for dogs and cats) are exempt from sales and use taxes. (§§40-23-4(a)(4) and 40-23-62(7))

(2) The following items qualify for exemption when sold for consumption by livestock or poultry;

(a) Stale bread, table waste, and other foodstuffs which have become unsuitable for sale for human consumption

(b) Salt and salt blocks

(c) Bone meal and oyster shells

(d) Blackstrap molasses

(3) Bees are members of the insect family and are not livestock; therefore, sales of food, including sugar, for consumption by bees are not exempt from sales or use tax. (§40-23-1(a)(10))

(4) The gross proceeds of the sales of all antibiotics, hormones and hormone preparations, drugs, medicines, and other medications including serums and vaccines, vitamins, minerals, or other nutrients for use in the production and growing of livestock and poultry by whomsoever sold are exempt from the sales and use taxes. (§§40-23-4(a)(29) and 40-23-62(29))
Author: Patricia A. Estes
Statutory Authority: Code of Ala. 1975, §§40-23-7(a)(5), 40-23-1(a)(10), 40-23-4(a)(29), 40-23-31, 40-23-62(7)(29), 40-23-83.
History: Adopted March 9, 1961. **Amended:** November 1, 1963. Filed September 28, 1982. **Amended:** Filed February 26, 1987. **Amended:** Filed June 4, 1998; effective July 9, 1998.

810-6-3-.20 Fertilizer.

(1) Sales of fertilizer when used for agricultural purposes are exempt from sales and use tax. [Sections 40-23-4(a)(2) and 40-23-62(5)]

(2) The word "fertilizer" as used in the exemption sections referenced above means any material (not including cottonseed meal when unmixed with other material) which results in an increase in plant growth when added to the basic natural substances in which plants are grown. Basic natural substances, including sand, clay, top soil, and water are not to be considered to fall within the meaning of the word "fertilizer" as used in those sections.

(3) Ammonium nitrate when used as an explosive, and not for agricultural purposes as a fertilizer, is taxable when sold to the consumer or user.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Adopted March 9, 1961. **Amended:** November 1, 1963. Filed September 28, 1982. **Amended:** effective March 24, 1993.

810-6-3-.20.01 Exemption Certification Form Respecting Fertilizers, Insecticides, Fungicides, And Seedlings (Form ST: EXC-1).

(1) When a retail purchaser purchases tangible personal property which is exempt from sales tax pursuant to Section 40-23-4(a)(2), (4), or (22) or use tax pursuant to Section 40-23-62(5), (7), or (23); the filing by said purchaser of a certificate in the following form shall relieve the seller of any obligation to collect sales or use tax on the items purchased in conjunction therewith:

ALABAMA DEPARTMENT OF REVENUE
SALES AND USE TAX DIVISION
EXEMPTION CERTIFICATION RESPECTING FERTILIZERS, INSECTICIDES, FUNGICIDES, AND SEEDLINGS

Purchaser's
Name:_____

Address:_____

City:_____State:_____Zip Code:_____

SCS Farm
Number:_____
(if available)

I, the undersigned, hereby certify that the items of tangible personal property purchased from (name of retailer) will be used for the exempt: agricultural purposes described in subdivisions (2), (4), or (22) of Section 40-23-4(a) or subdivisions (5), (7), or (23) of Section 40-23-62, Code of Ala. 1975, as Amended, and therefore may be purchased without payment of sales or use tax under Alabama law. I am aware that liability for payment of any sales or use tax ultimately determined to be applicable with respect to the items so purchased will be the exclusive responsibility of the undersigned.

Signature:_____ Date:_____

(2) The form outlined in paragraph (1) shall be referred to as Form ST: EXC-1 Exemption Certification Respecting Fertilizers, Insecticides, Fungicides, and Seedlings and the following procedures should be followed in conjunction with the execution of said form:

(a) all of the information requested on the form should be completed;

(b) the seller should furnish a copy of the completed certificate, with sales receipt attached, to the purchaser; and

(c) the seller should retain the original certificate and a copy of the sales receipt for a three-year period.

(3) The items enumerated in Section 40-23-4(a)(2), (4), and (22) and Section 40-23-62 (5), (7), and (23) are exempt from sales and use tax when used for agricultural purposes regardless of whether Form ST: EXC-1 is executed in conjunction with purchases of such items. Liability for sales or use tax on such items will later arise only if the Revenue Department determines that the item purchased, in fact, was not used for agricultural purposes. In the absence of a properly executed Form ST: EXC-1, the seller is liable for sales or use tax later determined to be due in the event the "agricultural use" exemption claim is disallowed; however, by having the purchaser execute a Form ST: EXC-1 the seller can place upon the purchaser the exclusive responsibility for payment of any sales or use taxes later determined to be due. Whenever a seller feels that the purchaser's exemption claim is invalid, the seller should collect sales or use tax from the purchaser or have the purchaser execute a Form ST: EXC-1.

(4) The seller is not required to secure a Form ST: EXC-1 for each sale of exempt items to a farmer with a SCS farm number when said seller knows the items purchased will be used for exempt agricultural purposes. Instead, the seller may have the farmer complete an annual exemption certification form and keep the certificate file and available for review by the Revenue Department along with other business records. The purchaser's SCS farm number can be used as a reference number on each sales invoice covered by the annual certification form. Such annual exemption certification forms should be re-executed every 12 months.

(5) Form ST: EXC-1 may be incorporated into the sales invoice if it contains substantially the same information as provided for on the certification form. This may be done by

(i) including the certification form on the sales invoice at the time of printing or,

(ii) by designing and using a rubber stamp to add the information to the sales invoice. Other methods which accomplish the same result as the exemption certification form may also be used. (Section 40-23-4.3)

Author: Dan DeVaughn, Christy Vandevender
Statutory Authority: Code of Ala. 1975, Title 9 of Chapter 12, §§40-23-1, 40-23-2, 40-23-440-23-31, 40-23-62, 40-23-83.
History: **New Rule:** Effective March 24, 1993.

810-6-3-.21 Sales of Fish, Bait, and Minnows.

(1) Sales of domesticated fish and minnows produced on farms are exempted from sales and use tax when such sales are made by the producer, a member of his immediate family, or for him by a person employed to assist in the production thereof.

(2) Fish and minnows are considered products of a farm only when they are raised from captive, domesticated stock owned by the producer or raised from fry to fingerlings acquired from commercial or publicly owned hatcheries. The exemption does not apply either with respect to sales of fish or minnows which originated as wild life in flowing streams, natural or artificial lakes or ponds, or with respect to retail sales of fish or minnows made by fish market operators, bait dealers, or other vendors who have purchased such fish or minnows for resale purposes.

(3) Sales of domesticated fish and minnows produced on farms do not qualify for the exemption contained in §40-23-4(a)(45) for sales of agricultural products by the person or corporation that planted or cultivated, and harvested such agricultural products.

(4) Sales of bait used to capture or attempt to capture fish or other seafood in the process of commercial fishing by a holder of a commercial license issued pursuant to Title 9, Chapter 12, Code of Alabama 1975, is considered a wholesale sale and is exemt from sales and use taxes. Commercial fishing, pursuant to §40-23-1, is the activity of catching or processing fish or other seafood regularly and exclusively as a means of livelihood by a holder of a commercial license issued pursuant to Chapter 12 of Title 9. The term includes shellfish farmers, shrimpers, oysterers, lobsterers, and crabbers.
Author: Dan DeVaughn, Christy Vandevender
Statutory Authority: Code of Ala. 1975, Title 9 of Chapter 12, §§40-23-1, 40-23-2, 40-23-4, 40-23-31, 40-23-62, 40-23-83.
History: Filed September 28, 1982. Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993.
Amended: Published April 28, 2023; effective June 12, 2023.

810-6-3-.22 Florists, Sales Of Nursery Stock And Floral Products By Florists.

(1) Sales of nursery stock and floral products by the florist who planted or cultivated, and harvested said items, when the land is owned or leased by the seller, are exempt from sales and use tax. Other sales of nursery stock and floral products by the seller are taxable.

(2) A florist who claims the exemption outlined in paragraph (1) must keep sufficient records to document such claims. In the absence of sufficient documentation, the seller will be liable for the sales or use tax due on all sales for which exemption claims cannot be verified by the department.
Author: Dan DeVaughn, Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§40-23-2, 40-23-4, 40-23-31,40-23-83.
History: Adopted March 9, 1961. **Amended:** January 20, 1966. Filed September 28, 1982. Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993. **Amended:** Published May 31, 2023; effective July 15, 2023.

810-6-3-.23 Fluid, Milk.

(1) Sales of milk and milk products made by milk processors and distributors are subject to sales and use tax. The only exemption for milk and milk products is the producer's exemption. (See Rule 810-6-3-.01, Agricultural Products) (Readopted through APA October 1, 1982) [Sections 40-23-2(1), 40-23-4(a)(5), 40-23-61(a) and 40-23-62(8)]

(2) The exemption contained in Section 40-23-4(a)(44) for sales of agricultural products by the person or corporation that planted, cultivated, and harvested such agricultural products does not apply to sales of milk and milk products by the producer, processor, or distributor.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed September 28, 1982. Filed January 15, 1993, certification filed April 15, 1993, effective, May 20, 1993.

810-6-3-.23.01 Food Banks.

(1) The term “food bank” as used in this rule shall mean any entity located within Alabama that is an affiliated food bank of the “America’s Second Harvest - The Nation’s Food Bank Network” or their subsidiary distribution organizations (SDOs).

(2) The term “subsidiary distribution organization (SDOs)” as used in this rule shall mean smaller food banks or larger agencies allied with affiliated food banks that are private, nonprofit, charitable organizations providing important community services. Although some are agencies, all SDOs distribute part of their food to other charities for direct distribution to clients.

(3) The food banks and SDOs listed in paragraphs (4) and (5) below located within the State of Alabama are exempt from the payment

and collection of state, county and municipal sales and use taxes. This exemption is effective June 14, 2007. (Act No. 2007-453)

(4) The following list includes the current food banks that are exempt as specified in paragraph (3) above:

(a) Bay Area Food Bank, Theodore, AL

(b) Food Bank of North Alabama, Huntsville, AL (c) Montgomery Area Food Bank, Montgomery, AL (d) United Way Community Food Bank, Birmingham, AL

(5) The following list includes the current SDOs that are exempt as specified in paragraph (3) above:

(a) Food Bank of East Alabama, Auburn, AL

(b) Food Bank of Northwest Alabama, Muscle Shoals, AL (c) Selma Area Food Bank, Selma, AL

(d) West Alabama Food Bank, Tuscaloosa, AL

(e) Wiregrass Area United Way Food Bank, Dothan, AL

Author: Donna Joyner
Statutory Authority: Code of Ala. 1975, §40-2A-7(a)(5), and Act 2007-453.
History: **New Rule:** Filed November 9, 2007; effective December 14, 2007.

810-6-3-.24 Sales to Foreign Governments, Diplomatic And Consular Officials.

(1) Sales to a foreign government or to its agents for use of a foreign government are subject to Alabama Sales Tax unless they are immune because of a treaty between the foreign government and the United States. Alabama tax should be collected in the absence of proof that the foreign power is immune because of such a treaty.

(2) Exemptions of Sales.

(a) Tangible Personal Property Transactions Exemption. Alabama Sales Tax and Alabama Use Tax does not apply to sales of tangible personal property to foreign diplomatic and consular officials identified by the U.S. Department of State or American Institute in Taiwan (AIT) as exempt from the tax pursuant to treaties or other diplomatic agreements with the United States.

(b) Lodgings Tax Transactions Exemption. Lodgings tax does not apply to rooms, lodgings, or accommodations rented or

furnished to foreign diplomatic and consular officials, to the extent that such persons have been identified by the U.S. Department of State or AIT as exempt from the tax pursuant to treaties or other diplomatic agreements with the United States. (U.S. Constitution, Article VI)

(c) Motor Vehicle Transactions Exemptions. Tax exemptions allowed on vehicle purchases by all diplomatic missions and members in the United States must be approved or denied by the U.S. Department of State, Office of Foreign Missions, before the transaction is completed. Prior to completing the transaction, vendors selling vehicles pursuant to a diplomatic tax exemption must follow these procedures:

1. The purchaser should present a mission tax exemption card, a personal tax exemption card, or a protocol identification card to the seller. Members of the United Nations (UN), Organization of American States (OAS), World Bank (WB), and the International Monetary Fund (IMF) requesting a diplomatic exemption on the purchase of a vehicle must present their personal tax exemption card.

2. The vendor must contact the U.S. Department of State, Office of Foreign Missions for a determination on the tax-exempt status of the purchaser.

3. The U.S. Department of State, Office of Foreign Missions, will determine the tax-exempt status of the purchaser and provide a letter to the vendor setting forth that determination.

(3) Exemption Cards. Pursuant to U. S. law, the Taipei Economic and Cultural Representative Office in the United States (TECRO), the Taipei Economic and Cultural Offices (TECOs), their designated employees, and their qualifying dependents are entitled to tax exemption privileges. Accordingly, the American Institute in Taiwan (AIT) issues tax exemption cards that incorporate the same features and design elements as the Office of Foreign Mission’s tax exemption cards. Other than the exception noted in (2)(c), persons identified as exempt from taxation pursuant to treaties or other diplomatic agreements with the United States are issued a tax exemption card by the U.S. Department of State or AIT which identifies the bearer as exempt from tax and specifies the extent of the exemption. Tax exemption cards may be personal tax exemption cards, mission tax exemption cards, or official tax exemption cards.

(a) Personal Tax Exemption Cards. Personal tax exemption cards bear the photograph and identification of a duly accredited consulate, embassy employee, or dependent who is entitled to tax exemption privileges as stated on the card and are for the personal use of the bearer whose picture appears on the front

of the card. The cards are not transferable and cannot be loaned to any other person, regardless of that person's eligibility for exemption from taxation. There is no restriction on the form of payment that can be used with this type of card.

(b) Mission and Official Tax Exemption Cards. Mission tax exemption cards and official tax exemption cards bear the photograph and identification of a consulate, or embassy employee who is the official purchasing agent for that office and are for use by foreign missions (including TECRO and TECO) to obtain exemption from taxes on purchases in the United States that are necessary for the mission and function of the foreign consulate or embassy. The individual pictured is the point of contact and need not be present at the purchase. However, all purchases must be paid for with a check, credit card, or wire transfer transaction in the name of the foreign government or mission, TECRO, or TECO. The cards may not be used for personal purchases of tangible personal property or personal rentals of rooms, lodgings, or accommodations.

(4) Taxable Sales, Use, and Lodgings Transactions. Taxes apply to the following transactions:

(a) Sales of tangible personal property to, and the rental or furnishing of rooms, lodgings, or accommodations to foreign diplomatic and consular officials who do not hold a tax exemption card issued by the U.S. Department of State or the American Institute in Taiwan (AIT).

(b) Sales of tangible personal property to, and the rental or furnishing of rooms, lodgings, or accommodations to persons holding tax exemption cards where their total purchases in a single transaction do not exceed the minimum level of exemption as specified on the tax exemption card. With respect to minimum purchase requirements, the total of all items purchased in a single transaction must equal or exceed the minimum purchase level shown on the card. For example, if a foreign official has a card with a minimum purchase requirement of $150, the official is required to pay sales or use tax on a bill of $145. However, the same official would be exempt from all sales or use taxes on a bill of $175. Also, if two foreign officials are traveling together but they have separate rooms and separate bills, they cannot combine the room bills under one total in order to qualify for a lodgings tax exemption.

(c) Sales of tangible personal property to, and the rental or furnishing of rooms, lodgings, or accommodations to nationals of the United States even though such persons may perform consular functions for foreign governments.

(5) Receipt Retention of Sales. Sellers making sales to, or renting or furnishing rooms, lodgings, or accommodations to foreign diplomatic and consular officials shall retain a copy of the invoice or other written evidence of the transaction to support any deductions claimed on their sales, use, or lodgings tax returns for tax-exempt sales or room rentals to foreign diplomatic and consular officials. These invoices shall show the name of the purchaser, the name of the mission, the tax exemption number, the expiration date of the tax exemption card, and the minimum level of exemption specified on the tax exemption card. When a personal tax exemption card is presented, the seller may ask the purchaser for an additional form of identification such as the purchaser's driver's license or his or her diplomatic or consular identification card, which many holders of personal tax exemption cards are also issued.
Author: Lee Ann Rouse
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-2A-7(a)(1), 40-23-4(a)(17), 40-23-4, 40-23-9, 40-23-62, 40-23-83.
History: **Amended:** June 12, 1978. Filed September 28, 1982. **Amended:** Filed July 1, 2015; effective August 5, 2015. Repeal and **New Rule:** Published February 28, 2022; effective April 14, 2022.

810-6-3-.24.01 Foreign Diplomatic And Consular Officials (Repealed 8/5/15).

(REPEALED)
Author: Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(1), 40-2A-7(a)(5), 40-23-4(a)(17), 40-23-9, 40-23-62, 40-23-83.
History: **New Rule:** Filed September 29, 1998; effective November 3, 1998. **Amended:** Filed November 4, 2003; effective December 9, 2003. **Repealed:** Filed July 1, 2015; effective August 5, 2015.

810-6-3-.25 Fuel Oil Used In Firing Kilns.

(1) The term "kiln" as used in Code of Ala. 1975, Sections 40-23-4(a)(14) and 40-23-62(15) and in this regulation shall mean an oven, stove, chamber, or other device or enclosure to provide thermal processing of nonmetallic articles or substances in a controlled temperature environment or atmosphere, often by direct convection or radiation heat transfer. A "kiln" is used in the high temperature treatment of nonmetallic materials and generally operates at sufficiently high temperatures to require that its walls be constructed of refractory materials. The term "kiln" as used in the aforementioned Code sections and in this regulation shall not include a furnace, oven, chamber, or other device or enclosure used in the melting, fusing, or manufacture of metal. Examples of devices which qualify as "kilns" are brick kilns,

lime kilns, dry kilns (for lumber), and cement kilns. Examples of devices which do not qualify as "kilns" are blast furnaces, basic oxygen furnaces, and open hearth furnaces used in steel manufacturing. (State of Alabama v. American Brass, Inc., Court of Civil Appeals, decided November 5, 1993.)

(2) Sales of fuel oil purchased as fuel for kilns used in manufacturing establishments are exempt from sales and use tax. [Sections 40-23-4(a)(14) and 40-23-62(15)]

(3) Where a manufacturer uses fuel oil for both taxable and nontaxable purposes, the supplier of fuel oil must collect and pay the state sales tax on all of the fuel oil he delivers to a storage facility from which withdrawals are made for a taxable use regardless of the fact that some part of the fuel oil withdrawn is for an exempted use. In these instances where a manufacturer maintains separate facilities for storing fuel oil for taxable and nontaxable uses, the supplier is authorized to deliver tax free to the facility maintained for storing fuel oil for a nontaxable use. The supplier is burdened with the responsibility of knowing the usual and customary use made of the fuel oil delivered to his customers.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(14), 40-23-31, 40-23-83.
History: Adopted March 9, 1961. **Amended:** September 18, 1964; July 2, 1975. Filed September 28, 1982, January 11, 1994. **Amended:** Filed March 30, 1994; effective May 5, 1994.

810-6-3-.26 Gas Districts.

(1) Any gas district organized under the provisions of Section 11-50-390-417, would not be required to report and pay any state or county sales and use taxes on and after September 1, 1965.

(2) Gas districts would not be required to pay municipal privilege license tax on and after January 1, 1966. (Quarterly Report - Attorney General - Volume No. 124, P. 23, September 19, 1966)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Adopted January 20, 1966. **Amended:** February 6, 1968. Filed September 28, 1982.

810-6-3-.27 Gases: Acetylene, Oxygen, Hydrogen (Repealed 12/10/97).

(REPEALED)
Author: Dan DeVaughn

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-31, 40-23-83, 40-23-1(a)(9)b.
History: Amended: August 16, 1974. Filed September 28, 1982.
Repealed: Filed November 5, 1997; December 10, 1997.

810-6-3-.28 Gasoline, Motor Fuels, And Lubricants.

Gasoline, liquefied natural gas, compressed natural gas, motor fuel, and lubricants otherwise taxed, are exempted from sales and use taxes as follows:

(a) Gasoline and substitutes therefor (not including diesel fuel, tractor fuel, distillate, liquefied gas, compressed gas, kerosene, fuel oil, crude oil, and other liquid fuel oil and gases commonly used for heating, lighting or industrial purposes), lubricating oil and greases, and substitutes therefor commonly used in lubricating or oiling the moving parts of machines or machinery are exempted from sales and use taxes regardless of use.

(b) Diesel fuel, tractor fuel, distillate, liquefied gas, compressed gas, kerosene, fuel oil, crude oil, and other liquid fuel oil and gases commonly used for heating or lighting or industrial purposes are exempted from sales and use taxes when otherwise taxed by the motor fuels excise tax statutes of this state.

Author: Dan DeVaughn, Michele Mayberry
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-4(a)(1), 40-23-31, 40-23-62(4), 40-23-83.
History: Filed September 28, 1982. **Amended:** Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed October 20, 2017; effective December 4, 2017.

810-6-3-.29 Grass Sod.

(1) The gross receipts from sales of grass sod of all kinds and character when in the original state of production or condition of preparation for sale, when such sales are made by the producer or members of this family or for him by those employed by him in the production thereof, are exempt from sales and use tax. This exemption does not apply to sales of grass sod by a person engaged in the business of selling plants, seedlings, nursery stock, or floral products. (Adopted October 19, 1976.) [Section 40-23-4(a)(31)]

(2) Sales of grass sod by the person or corporation that planted, cultivated, and harvested the sod are exempt from sales and use tax. Unlike the exemption outlined in paragraph (1) above, this exemption is not lost to the producer who also sells plants,

seedlings, nursery stock, or floral products. [Section 40-23-4(a)(44)]

(3) A seller who claims the exemption outlined in paragraph (2) must keep sufficient records to document such claims; and, in the absence of sufficient documentation, shall be liable for the sales or use tax due on all sales for which exemption claims cannot be verified by the Revenue Department.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Adopted October 29, 1976. Filed September 28, 1982. Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993.

810-6-3-.30 Grease Protective, When Exempt From Sales And Use Tax (Repealed 7/30/98).

(Repealed)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(32), 40-23-31, 40-23-83.
History: Filed September 28, 1982. **Repealed:** Filed June 25, 1998; effective July 30, 1998.

810-6-3-.31 Herbicides (Repealed 6/12/2023).

REPEALED
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(a)(25), 40-23-62(25), 40-23-31, 40-23-83.
History: Adopted January 1, 1966. Filed September 28, 1982. **Amended:** Effective March 24, 1993. **Repealed:** Published April 28, 2023; effective June 12, 2023.

810-6-3-.32 Historical Preservation Authorities.

(1) A historical preservation authority organized pursuant to Article 5 of Chapter 10 of Title 41, Code of Ala. 1975, as amended, is exempt from the payment of sales and use tax on any tangible personal property purchased by the authority provided the purchases are made in the name of the authority, the authority's credit is obligated, and the purchases are paid for with funds belonging to the authority. (Section 41-10-147, Code of Ala. 1975).

(2) The exemption in Section 41-10-147 does not apply to a contractor where the contractor has a construction contract with a

historical preservation authority to furnish all materials and labor for use in the performance of the contract. The contractor is the consumer thereof of all materials used in the performance of the construction contract which becomes part of real property. (Sections 40-23-1(a)(10) and 40-23-60(5))

(3) Notwithstanding any of the exemptions outlined above, an individual, partnership, or corporation organized for profit that is or will be treated for federal income tax purposes as the owner of property to which a historical preservation authority has title to, or a possessory right in, is liable for sales or use taxes as if the for-profit entity held title to the property unless the individual, partnership, or corporation would be entitled to use the property pursuant to a lease or other agreement entered into before May 21, 1992, or would be entitled to use the property at some future time pursuant to an inducement agreement entered into or adopted before May 21, 1992. For-profit entities, however, may qualify for abatements of certain sales and use taxes pursuant to Chapter 9B of Title 40 of the Code of Ala. 1975. Section 40-9B-7 only pertains to private users of private use property. Private user is defined in 40-9B-3. Therefore, Section 40-9B-7 does not change the tax exempt status of a non-profit entity for sales and use tax purposes. (Section 40-9B-7, Code of Ala. 1975)
Author: Traci, Floyd, Deborah Lee, Ginger L. Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-9B-7, 40-23-1(a)(10), 40-23-31, 40-23-60(5), 40-23-83, 41-10-147.
History: Adopted November 3, 1980. Filed September 28, 1982. Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993. **Amended:** Filed February 20, 2001; effective March 27, 2001. **Amended:** Filed May 6, 2005; effective June 10, 2005. **Amended:** Filed June 30, 2009; effective August 4, 2009. **Amended:** Filed November 20, 2013; effective December 25, 2013.

810-6-3-.33 Industrial Development Board.

(1) An industrial development board created by an incorporated municipality within the State of Alabama pursuant to Article 4 of Chapter 54 of Title 11, Code of Ala. 1975, as amended, is exempt from sales and use tax on any tangible personal property purchased by the board or its duly authorized agent, provided the purchases are made in the name of the board, the board's credit is obligated and said purchases are paid for by the board with funds belonging to the board. The term "funds belonging to the board" shall normally be construed to mean those funds not exceeding the amount of the long term revenue bonds and any temporary borrowing evidenced by revenue bonds or notes maturing not later than 18 months from date of issue. (Section 11-54-96, Code of Ala. 1975).

(2)(a) The exemption in Section 11-54-96 does not apply to a contractor where the contractor has a construction contract with an industrial development board to furnish all materials and labor for use in the performance of the contract. The contractor is the consumer thereof of all the materials used in the performance of the construction contract which becomes part of real property. A contractor may purchase items of machinery or equipment not becoming part of the realty, tax exempt, where such items are intended for resale to the board in the form of tangible personal property. (Sections 40-23-1(a)(10) and 40-23-60(5), Code of Ala. 1975).

(b) The sale to, or the storage, use, or consumption by, any contractor or subcontractor of any tangible personal property to be incorporated into realty pursuant to a contract awarded after October 1, 2000 but prior to July 1, 2004, with an industrial development board organized pursuant to Article 4 of Chapter 54 of Title 11, Code of Ala. 1975, is exempt from all state, county, and municipal sales and use taxes provided the contractor or subcontractor has complied with Rule 810-6-3-.77 entitled Exemption of Certain Purchases by Contractors and Subcontractors in conjunction with Construction Contracts with Certain Governmental Entities, Public Corporations, and Educational Institutions. (Section 40-9-33, Code of Ala. 1975, repealed by Act 2004-638, effective July 1, 2004)

(3) Notwithstanding any of the exemptions outlined above, an individual, partnership, or corporation organized for profit that is or will be treated for federal income tax purposes as the owner of property to which an industrial development board has title to, or a possessory right in, is liable for sales and use taxes as if the for-profit entity held title to the property unless the individual, partnership, or corporation would be entitled to use the property pursuant to a lease or other agreement entered into before May 21, 1992, or would be entitled to use the property at some future time pursuant to an inducement agreement entered into or adopted before May 21, 1992. For-profit entities, however, may qualify for abatements of certain sales and use taxes pursuant to Chapter 9B of Title 40 of the Code of Ala. 1975. Section 40-9B-7 only pertains to private users of private use property. Private user is defined in Section 40-9B-3. Therefore, Section 40-9B-7 does not change the tax exempt status of a non-profit entity for sales and use tax purposes.

Author: Deborah Lee, Ginger L. Buchanan

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 11-54-96, 40-9-33, 40-9B-4, 40-9B-5, 40-9B-6, 40-9B-7, 40-23-1(a)(10), 40-23-31, 40-23-60(5), 40-23-83.

History: Adopted February 6, 1968. **Amended:** October 10, 1974; August 24, 1982; September 29, 1982, readopted through APA effective October 1, 1982. Filed September 28, 1982. Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993. **Amended:** Filed February 20, 2001; effective March 27, 2001.

Amended: Filed May 6, 2005; effective June 10, 2005. **Amended:** Filed June 30, 2009; effective August 4, 2009.

810-6-3-.34 Insecticides And Fungicides.

(1) The term "insecticides" means any substance or mixture of substances which are used for the preventing, destroying, repelling, or mitigating of any insects. The term "insect" means flies, mites, spiders, ticks, nematodes, and destructive worms and grubs as well as those small invertebrate animals strictly falling within the scientific class Insecta. (AGO Graddick, August 29, 1979) The term "fungicides" means any substance or mixture of substances which are used for preventing, destroying, or mitigating any fungi.

(2) Sales of insecticides and fungicides when used for agricultural purposes are exempt from sales and use tax.

(3) Sales of insecticides and fungicides when used by persons properly permitted by the Department of Agriculture and Industries or any applicable local or state governmental authority for structural pest control work are exempt from sales and use tax. [§§ 40-23-4(a)(4) and 40-23-62(7)]
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Adopted March 9, 1961. **Amended:** November 1, 1963; January 20, 1966; June 12, 1978, readopted through APA effective October 1, 1982. Filed September 28, 1982. **Amended:** Effective March 24, 1993. **Amended:** Filed September 7, 1993; effective October 12, 1993.

810-6-3-.35 Interstate Shipments Subject To Sales Tax.

Sales tax is due by the seller in Alabama who accepts an order which he fills by having an out-of-state supplier ship the goods ordered, F.O.B. supplier's out-of-state shipping point, to the buyer in Alabama and the seller's supplier renders his invoice to the seller in Alabama and the seller in turn invoices his customer. (Graybar Electric v. Curry, 189 So. 186) Sales tax is due by a seller in Alabama who accepts an order which he fills by having the goods shipped to buyer, F.O.B. shipping point, his warehouse or stock of goods located outside Alabama. (Graybar Electric v. Curry, 189 So. 186)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-24-4(17), 40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.35.01 Interstate Commerce.

Where a resident contractor purchases materials from an Alabama dealer with the provision that the materials be delivered outside of Alabama by the seller for the contractor's use outside of Alabama, the sale is in interstate commerce and is exempt from the tax.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(17), 40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.35.02 Interstate Commerce, Sales In.

(1) Sales are considered to be made outside Alabama and cannot be taxed by the Alabama Sales Tax Law where:

(a) The seller is required by the sales agreement to deliver the goods outside the state in the seller's equipment, or

(b) The seller delivers the goods to a common carrier or to the United States Postal Service for transportation outside the state regardless of any F.O.B. point, or

(c) The seller is required by the sales agreement to deliver the goods outside the state by the use of an independent trucker hired by the seller.

(2) Property is not sold outside Alabama, and therefore is subject to Alabama Sales Tax, when the buyer takes actual possession of the goods in this state or when an agent of the buyer accepts delivery for the buyer to make delivery outside the state at the buyer's direction. However, when the buyer contracts with a common carrier or the United States Postal Service to accept goods in this state for delivery outside this state at the buyer's direction, the sale is not subject to Alabama Sales Tax since the common carrier or United States Postal Service is the agent of the seller regardless of who selects the method of transportation. (Readopted through APA effective October 1, 1982) [Sections 40-23-1(a)(5) and 40-23-4(a)(17)]
Author: Patricia A. Estes
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-1(a)(5), 40-23-4(a)(17), 40-23-31, 40-23-83.
History: Filed September 28, 1982. Readopted through APA effective October 1, 1982. **Amended:** Filed May 5, 1995; effective June 9, 1995. **Amended:** Filed February 3, 1998; effective March 10, 1998.

810-6-3-.36 **Liquefied Petroleum Gas, Liquefied Natural Gas and Compressed Natural Gas.**

(1) Liquefied petroleum gas, liquefied natural gas and compressed natural gas sold to be used for agricultural purposes are exempt from sales tax.

(2) Liquefied petroleum gas, liquefied natural gas and compressed natural gas sold to hatcheries for use as fuel for heaters used to maintain a constant temperature in incubators qualify for the exemption outlined in (1) above. This exemption applies to a hatchery whose sole function is the hatching and raising of poultry even if the hatchery is not located on a traditional farm.

(3) Liquefied petroleum gas, liquefied natural gas and compressed natural gas sold for use in the commercial production of greenhouse and nursery products qualify for the exemption outlined in (1) above. (AGO Graddick February 6, 1979) Noncommercial greenhouses or hothouses when not being operated as part of a farming operation are not entitled to this exemption.

(4) The ginning of cotton occurs after harvesting is completed and, since the agricultural aspect ends with harvesting, cotton gins are nonagricultural processing operations and do not qualify for the exemption outlined in (1) above. Sales of liquefied petroleum gas, liquefied natural gas and compressed natural gas to cotton gins located on traditional farms and operated by the farmer do not qualify for this exemption.

(5) The drying of grain by grain dealers not located on traditional farms occurs after the harvesting is completed and, since the agricultural aspect ends with harvesting, such operations are nonagricultural processing in nature and do not qualify for the exemption outlined in (1) above.
Author: Dan DeVaughn, Michele Mayberry
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-4(33), 40-23-31, 40-23-83.
History: Filed September 28, 1982. **Amended:** Effective July 7, 1989. **Amended:** Filed October 20, 2017; effective December 4, 2017.

810-6-3-.36.01 **Liquefied Petroleum Gas, Exempt From Sales Tax.**

The sale of liquefied petroleum gas sold for use as motor fuel is exempt from sales tax provided the purchaser has secured the required permit which is issued by the Liquefied Petroleum Gas Board and displays the decal issued by the Board on the vehicle.
Author: Dan DeVaughn

Statutory Authority: Code of Ala. 1975, §§40-23-4(1), 40-23-31.
History: Filed September 28, 1982.

810-6-3-.37 Livestock. All Sales Of Livestock Are Exempted From Sales Tax (Repealed 3/17/23).

(REPEALED)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(5), 40-23-31.
History: Filed September 28, 1982. **Repealed:** Published January 31, 2023; effective March 17, 2023.

810-6-3-.37.01 Meals Furnished Along With Rooms By Schools And Colleges (Repealed 8/14/22).

(REPEALED)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-2(1), 40-23-31.
History: Filed September 28, 1982. **Repealed:** Published June 30, 2022; effective August 14, 2022.

810-6-3-.37.02 Exemption From Lodgings Tax For Film Production Companies Approved By The Alabama Film Office (Repealed 2/10/12).

(REPEALED)
Author: Ginger L. Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26-1(b), 40-26-19.
History: Filed September 28, 1982. **Repealed:** Filed June 25, 1998; effective July 30, 1998. **New Rule:** Filed March 25, 2002; effective April 29, 2002. **Amended:** Filed January 19, 2006; effective February 23, 2006. **Repealed:** Filed January 6, 2012; effective February 10, 2012.

810-6-3-.37.03 Exemption For Certain Items Furnished To Medicaid Recipients.

(1) Medicaid Covered Products Paid by the State.

(a) Eyeglasses, durable medical equipment, prosthetic and orthotic devices, and medical supplies as defined and covered under the Medicare program furnished to Medicaid recipients are exempt from sales, use, or rental and leasing tax when

billed directly to and paid for directly by Medicaid pursuant to §§40-23-4 and 40-23-62, Code of Ala. 1975.

(b) Payment for Medicare program furnished items may be as the result of a contract between Medicaid and a manufacturer who provides the item, bills Medicaid directly under the terms of the contract, and receives payment directly from Medicaid.

(c) Payment may be as the result of contracts with various suppliers, such as home health providers, who furnish the item, bill Medicaid directly pursuant to the terms established by the Medicaid program, and receive payment directly from Medicaid.

(2) Medicaid Covered Products Paid by the Recipient.

(a) The sales and use tax exemption outlined in Section (1) above does not apply in instances where an item is sold directly to and paid for by a Medicaid recipient. Should the nature of the present Medicaid program change, the sales and use tax exemption outlined in Section (1) would not apply to eyeglasses or durable medical equipment purchased and paid for by a Medicaid recipient who later receives reimbursement from Medicaid nor would the exemption apply with respect to that portion of a co-pay purchase paid for directly by the Medicaid recipient. (§§40-23-2 and 40-23-61, Code of Ala. 1975)

(b) Drugs as defined in §40-23-4.1, Code of Ala. 1975, are specifically exempt from sales and use tax; and, sales to Medicaid recipients are exempt regardless of who is billed or who makes payment for said drugs.

(3) Exception.

(a) Hospitals and nursing homes purchasing tangible personal property for use in furnishing services to Medicaid recipients are not exempt from sales or use tax. Hospitals and nursing homes are primarily engaged in the business of rendering services. They are not liable for sales tax with respect to their gross receipts for meals, drugs, or other tangible personal property used in rendering hospital or nursing home services. Hospitals and nursing homes are deemed to be the purchasers for use or consumption of such tangible personal property, and the sellers of these items to hospitals and nursing homes are required to collect sales or use tax on sales of such property to private hospitals and nursing homes.

(b) Purchases by private hospitals and nursing homes of drugs as defined in §40-23-4.1, Code of Ala. 1975, are specifically exempt from sales and use tax. Prescription drugs sold separate and apart from services rendered by a hospital or nursing home are also exempt from sales and use tax pursuant to §40-23-4.1, Code of Ala. 1975. See 810-6-3-.47.01 entitled

Prescription Drugs, and 810-6-5-.09 entitled Leasing and Rental of Tangible Personal Property.
Author: Ginger Buchanan, Lee Ann Rouse
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-32-2, 40-23-4, 40-23-31, 40-23-61, 40-23-62, 40-23-83; Administrative Rule 810-6-3-.47.01 and 810-6-5-.09.
History: Adopted March 18, 1970. **Amended:** November 9, 1970; September 20, 1974; August 10, 1982. Filed September 28, 1982. **Amended:** Effective January 29, 1990. **Amended:** Filed October 30, 2014; effective December 4, 2014. **Amended:** Published November 30, 2021; effective January 14, 2022.

810-6-3-.38 Medical Clinic Boards.

(1) A medical clinic board created pursuant to Chapter 58 of Title 11, Code of Ala. 1975, is exempt from sales or use tax on any tangible personal property purchased by the board or its duly authorized agents, provided the purchases are made in the name of the board, the board's credit is obligated, and the purchases are paid for by the board with funds belonging to the board.

(2)(a) The exemption referenced in paragraph (1) above does not apply to a contractor where the contractor has a construction contract with a medical clinic board to furnish all materials and labor for use in the performance of the contract. The contractor is the consumer thereof of all the materials used in the performance of the construction contract which becomes part of real property. A contractor may purchase items of machinery or equipment not becoming part of the realty, tax exempt, where such items are intended for resale to the board in the form of tangible personal property. (Sections 40-23-1(a)(10) and 40-23-60(5), Code of Ala. 1975).

(b) The sale to, or the storage, use, or consumption by, any contractor or subcontractor of any tangible personal property to be incorporated into realty pursuant to a contract with a medical clinic board organized pursuant to Chapter 58 of Title 11, Code of Ala. 1975, is exempt from all state, county, and municipal sales and use taxes provided the contractor or subcontractor has complied with Rule 810-6-3-.77 entitled Exemption of Certain Purchases by Contractors and Subcontractors in conjunction with Construction Contracts with Certain Governmental Entities, Public Corporations, and Educational Institutions. (Section 40-9-33, Code of Ala. 1975, repealed by Act 2004-638, effective July 1, 2004)

(3) Notwithstanding any of the exemptions outlined above, an individual, partnership, or corporation organized for profit that is or will be treated for federal income tax purposes as the owner of property to which a medical clinic board has title to, or a possessory right in, is liable for sales and use taxes as if

the for-profit entity held title to the property unless the individual, partnership, or corporation would be entitled to use the property pursuant to a lease or other agreement entered into before May 21, 1992, or would be entitled to use the property at some future time pursuant to an inducement agreement entered into or adopted before May 21, 1992. For profit entities, however, may qualify for abatements of certain sales and use taxes pursuant to Chapter 9B of Title 40 of the Code of Ala. 1975. Section 40-9B-7 only pertains to private users of private use property. Private user is defined in Section 40-9B-3. Therefore, Section 40-9B-7 does not change the tax exempt status of a non-profit entity for sales and use tax purposes.
Author: Deborah Lee, Ginger L. Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-9-33, 40-9B-7, 40-23-1(a)(10), 40-23-31, 40-23-60(5), 40-23-83.
History: Adopted August 15, 1974. **Amended:** August 24, 1982. Filed September 28, 1982. Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993. **Amended:** Filed February 20, 2001; effective March 27, 2001. **Amended:** Filed May 6, 2005; effective June 10, 2005. **Amended:** Filed June 30, 2009; effective August 4, 2009.

810-6-3-.39 Motor Freight Lines, Sales To.

Any sale of property to motor freight lines is subject to the sales tax where the property is delivered in Alabama by a seller doing business in Alabama. This is true even though the purchase order may have been given out of state to an out-of-state branch of the seller and even though payment is made out of state.
Author: Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed September 28, 1982. **New Rule:** Published November 30, 2022; effective January 14, 2023.

Ed. Note: New Rule 810-6-3-.39 was previous rule .39.02 per certification published November 30, 2022; effective January 14, 2023.

810-6-3-.39.01 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.39.02 Motor Freight Lines, Sales To (Repealed 1/14/23).

(REPEALED)

Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed September 28, 1982. **Repealed:** Published November 30, 2022; effective January 14, 2023.

Ed. Note: Previous Rule 810-6-3-.39.02 was renumbered .39 per certification published November 30, 2022; effective January 14, 2023.

810-6-3-.40 Municipal Housing Authority.

Sales of property to a municipal housing authority for use by such authority in construction, repair, or maintenance of its property are sales to an agency of a city and exempted from the sales tax.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(11), 40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.41 Exemption For Municipal Special Health Care Facilities.

(1) Chapter 62 of Title 11, Code of Ala. 1975, as amended, provides for the incorporation and operation of municipal special health care facility authorities.

(2) Section 11-62-18(d) exempts from sales and use tax any purchase of tangible personal property used in the construction and equipment of a special health care facility if the purchase is pursuant to any contractual arrangement between an authority and a user for the acquisition of a facility for sale or lease to the user or for financing the acquisition of a facility by loan from the authority. These purchases are exempt regardless of whether they are made by the authority, the user, or any contractor or agent of either.

(3) To qualify for the sales and use tax exemption outlined in Section 11-62-18(d), the property purchased must become a part of the facility or the equipment of the facility or must constitute supplies or other items necessary for the day-to-day operation of the facility. Purchases of tangible personal property by an authority's or user's contractor or agent for use by the contractor or agent, when such property does not become a part of the facility or the equipment of the facility or does not constitute supplies or other items necessary for the day-to-day operation of the facility, are subject to sales or use tax. Examples of nonexempt items are diesel fuel and repair parts for construction equipment, hand tools, and consumable supply items used by the contractor or agent.

(4) Notwithstanding the exemption outlined above, an individual, partnership, or corporation organized for profit that is or will be treated for federal income tax purposes as the owner of property to which a municipal special health care facility authority has title to, or a possessory right in, is liable for sales and use taxes as if the for-profit entity held title to the property unless the individual, partnership, or corporation would be entitled to use the property pursuant to a lease or other agreement entered into before May 21, 1992, or would be entitled to use the property at some future time pursuant to an inducement agreement entered into or adopted before May 21, 1992. For-profit entities, however, may qualify for abatements of certain sales and use taxes pursuant to Chapter 9B of Title 40 of the Code of Alabama 1975. Section 40-9B-7 only pertains to private users of private use property. Private user is defined in 40-9B-3. Therefore, Section 40-9B-7 does not change the tax exempt status of a non-profit entity for sales and use tax purposes.
Author: Deborah Lee, Ginger L. Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-9B-7, 40-23-31, 11-62-18, 40-23-83.
History: Filed August 28, 1987. Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993. **Amended:** Filed March 3, 1994; effective April 7, 1994. **Amended:** Filed February 20, 2001; effective March 27, 2001. **Amended:** Filed May 26, 2005; effective June 30, 2005. **Amended:** Filed June 30, 2009; effective August 4, 2009.

810-6-3-.41.01 Exemption For Certain Health Care Authorities.

(1) The term "health care authority" as used in this rule shall mean any public corporation organized pursuant to Article 11 of Chapter 21 of Title 22, Code of Ala. 1975, and any public hospital corporation reincorporated pursuant to Article 11 of Chapter 21 of Title 22, Code of Ala. 1975.

(2) The sale, purchase, use, storage, or consumption of tangible personal property used in the construction and equipment of any health care facilities for a health care authority, regardless of whether the sale is to the health care authority, its contractor, its subcontractors, or its agent, is exempt from state, county, and municipal sales and use taxes. (Section 22-21-333).

(3) The exemption in Section 22-21-333 applies to purchases of materials and equipment used in the construction of a new facility and in the construction of an addition to an existing facility. (AGO, Sessions, March 26, 1996)

(4) To qualify for the exemption in Section 22-21-333, the property purchased must become a part of the facility or the equipment of the facility or must constitute supplies or other items necessary for the day-to-day operation of the facility.

Purchases of tangible personal property by the health care authority's contractor, subcontractors, or agent, when the property does not become a part of the facility or the equipment of the facility or does not constitute supplies or other items necessary for the day-to-day operation of the facility, are taxable. Examples of nonexempt items are diesel fuel and repair parts for construction equipment, hand tools, and consumable supply items used by the contractor, subcontractor, or agent.

(5) Notwithstanding the exemption outlined above, an individual, partnership, or corporation organized for profit that is or will be treated for federal income tax purposes as the owner of property to which a health care authority has title to, or a possessory right in, is liable for sales or use taxes as if the for-profit entity held title to the property unless the individual, partnership, or corporation would be entitled to use the property pursuant to a lease or other agreement entered into before May 21, 1992, or would be entitled to use the property at some future time pursuant to an inducement agreement entered into or adopted before May 21, 1992. For-profit entities, however, may qualify for abatements of certain sales and use taxes pursuant to Chapter 9B of Title 40 of the Code of Ala. 1975. Section 40-9B-7 only pertains to private users of private use property. Private user is defined in Section 40-9B-3. Therefore, Section 40-9B-7 does not change the tax exempt status of a non-profit entity for sales and use tax purposes.
Author: Deborah Lee, Ginger L. Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 11-62-18, 40-9B-7, 40-23-31, 40-23-83.
History: **New Rule:** Filed September 29, 1998; effective November 3, 1998. **Amended:** Filed February 20, 2001; effective March 27, 2001. **Amended:** Filed May 26, 2005; effective June 30, 2005. **Amended:** Filed June 30, 2009; effective August 4, 2009.

810-6-3-.41.02 Exemption For Improvement Districts.

(1) The definitions of the terms "appointing government," "improvements," and "public person" contained in Section 11-99A-2, Code of Ala. 1975, are incorporated into this rule by reference.

(2) The term "improvement district" as used in this rule shall mean a district created pursuant to Chapter 99A of Title 11 of the Code of Ala. 1975.

(3) Subject to any limitation or restriction imposed by the appointing government pursuant to Section 11-99A-20(c) and the restrictions outlined in paragraphs (5) and (6) below; all sales of tangible personal property to, and all sales of tangible personal property by, an improvement district are exempt from all state, county, and municipal sales and use taxes and gross

receipts taxes in the nature of a sales tax. (Section 11-99A-20(a)).

(4) Subject to any limitation or restriction imposed by the appointing government pursuant to Section 11-99A-20(c) and the restrictions outlined in paragraphs (5) and (6) below; the purchase, acquisition, and installation of tangible personal property for improvements by an improvement district are exempt from all state, county, and municipal sales and use taxes and gross receipts taxes in the nature of a sales tax regardless of whether the purchases of the materials are made by the improvement district or by a contractor or subcontractor for use in the acquisition, construction, or installation of improvements for an improvement district. (Sections 11-99A-20(b) and 11-99A-20(c)).

(5) The sales and use tax exemptions outlined in Section 11-99A-20 shall not apply to any purchase, acquisition, or installation that would not be exempt if purchased, acquired, or installed directly by the appointing government. (Section 11-99A-20(b)).

(6) The sales and use tax exemptions outlined in Section 11-99A-20 shall not be used for the acquisition, equipping, or construction of property to be owned by any person other than a utility company, the improvement district, or another public person. (Section 11-99A-2(6)).

(7) Any contractor or subcontractor who is making tax-exempt purchases pursuant to Section 11-99A-20(b) may apply for and obtain a sales and use tax Certificate of Exemption (Form STE-1). A contractor or subcontractor applying for a Form STE-1 shall attach to its application a certification, under oath, from the Chairman of the Board of the improvement district outlining the terms of the improvement district's agreement with the appointing government with respect to any limitations, restrictions, or rescissions to the sales and use tax exemptions otherwise applicable to purchases by the improvement district, contractor, or subcontractor. The Form STE-1 issued to the contractor or subcontractor will be project specific and shall be provided by the contractor or subcontractor to its vendors to document the tax-exempt status of its purchases of materials for the improvement project indicated on the Form STE-1. A contractor or subcontractor who will be making tax-exempt purchases for more than one qualifying improvement project shall obtain a separate Form STE-1 for each project. A contractor or subcontractor who obtains a Form STE-1 shall comply with all of the provisions of Sales and Use Tax Rule 810-6-5-.02 entitled State Sales and Use Tax Certificate of Exemption (Form STE-1) - Responsibilities of the Certificate Holder - Burden of Proof - Liability for Taxes Later Determined to be Due.

(8) Effective October 1, 2000, the sale to, or the storage, use, or consumption by, any contractor or subcontractor of any tangible personal property to be incorporated into realty pursuant to a

contract awarded prior to July 1, 2004, with an improvement district organized pursuant to Chapter 99A of Title 11, Code of Ala. 1975, is exempt from all state, county, and municipal sales and use taxes provided the contractor or subcontractor has complied with Rule 810-6-3-.77 entitled Exemption of Certain Purchases by Contractors and Subcontractors in conjunction with Construction Contracts with Certain Governmental Entities, Public Corporations, and Educational Institutions. This exemption, which is in addition to the one found in Section 11-99A-20, does not exempt any purchases by contractors or subcontractors that are not also exempt pursuant to Section 11-99A-20.

(9) In accordance with Act. No. 2004-638, the sale to, or the storage, use, or consumption by any contractor or subcontractor of any tangible personal property contract to be incorporated into realty pursuant to a contract awarded, or any portion of a contract which is revised, renegotiated, or otherwise altered, on and after July 1, 2004, to the extent that such revision, renegotiation, or alteration requires the purchase of additional tangible personal property is subject to all state, county and municipal sales and use taxes. Items purchased after June 30, 2004, pursuant to a contract awarded prior to July 1, 2004, will continue to be exempt for the remainder of the contract to the extent that any post June 30, 2004, revision or amendment does not require the purchase of additional tangible personal property.
Author: Ginger L. Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 11-99A-2, 11-99A-20, 40-23-31, 40-23-83.
History: **New Rule:** Filed November 18, 1999, effective December 23, 1999. **Amended:** Filed February 20, 2001; effective March 27, 2001. **Amended:** Filed April 28, 2005; effective June 2, 2005.

810-6-3-.42 National Farm Loan Associations.

National farm loan associations are instrumentalities of the United States and are not subject to sales or use taxes on the property purchased by them for use in carrying on any activity they are authorized to engage in by Federal Law.
Author: Dan DeVaughn
Statutory Authority: 12 U.S.C.A. 931, Code of Ala. 1975, §§40-23-4(17), 40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.42.01 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.42.02 Nonresidents, Sales To.

(1) Sales of automobiles, motorcycles, trucks, truck trailers, travel trailers, campers, housecars, or semitrailers that (i) will be registered or titled outside Alabama and (ii) are exported or removed from Alabama within 72 hours by the purchaser or the purchaser's agent for first use outside Alabama are not subject to Alabama sales tax when the sales tax laws of the state in which the purchaser will title or register the vehicle allows an Alabama resident to purchase a motor vehicle for first titling and registering in Alabama without the payment of tax to that state. To be exempt from Alabama sales tax, the information relative to the exempt sale must be documented on forms approved by the Revenue Department. (See Rule 810-6-3-.42.03 entitled Sales of Certain Automotive Vehicles to Nonresidents for First Use and Registration or Titling Outside Alabama.) Sales of other vehicles such as mobile homes, all terrain vehicles, and boats do not qualify for this export exemption provision and are subject to Alabama sales tax, unless the seller can provide factual evidence that the vehicle was delivered outside Alabama or delivered to a common carrier for transportation outside Alabama.

(2) The purchase of a new truck with a gross weight not exceeding 8,000 pounds or a new passenger vehicle by a nonresident of the United States is exempt from sales or use tax when (i) the truck or passenger vehicle is manufactured in Alabama, (ii) the truck or passenger vehicle is delivered to the purchaser in Alabama by the manufacturer or an affiliated corporation, (iii) at the time of the purchase the purchaser intends to export the truck or passenger vehicle to and permanently license the truck or passenger vehicle in a foreign country within 90 days after the date of delivery, and (iv) the purchaser obtains a temporary metal license plate and a temporary registration certificate from the probate judge or license commissioner of the county in which the manufacturer is located.

(3) Other than the exceptions in (1) and (2), sales to nonresidents are sales at retail subject to the tax even though such purchasers claim that the property purchased is for use outside of Alabama, except where the seller delivers the property outside Alabama or to the U.S. Postal Service or to a common carrier for transportation outside Alabama.

(4) A list of states that do not allow a reciprocal drive-out provision for Alabama residents purchasing automotive vehicles for first titling and registration in Alabama may be viewed on the Department's website at: http://www.revenue.alabama.gov/salestax/. Such list will be updated on an annual basis. Sellers that have relied on the information in the list that is later determined to

be incorrect shall not be held liable for the non-collection of the state automotive sales tax.
Author: Ginger Buchanan and Christy Vandevender
Statutory Authority: §§40-2A-7(a)(5), 40-23-1, 40-23-2, 40-23-4, 40-23-31, 40-23-39, 40-23-62, Code of Ala. 1975.
History: Effective January 24, 1989. **Amended:** Filed February 3, 1998; effective March 10, 1998. **Amended:** Filed January 6, 2016; effective February 10, 2016. **Amended:** Published September 30, 2025; effective November 14, 2025.

810-6-3-.42.03 Sales Of Certain Automotive Vehicles To Nonresidents For First Use And Registration Or Titling Outside Alabama.

(1)(a) Effective January 1, 2016, sales of automobiles, motorcycles, trucks, truck trailers, or semitrailers that will be registered or titled outside Alabama, that are exported or removed from Alabama within 72 hours by the purchaser or purchaser's agent for first use outside Alabama are not subject to Alabama sales tax provided the following conditions are met:

1. the state sales tax laws of the state in which the purchaser will title or register the vehicle allows an Alabama resident to purchase a motor vehicle for first titling and registering in Alabama without the payment of tax to that state.

2. The exempt sale is documented on the Automotive Vehicle Drive Out Certificate For Nonresidents.

(b) Effective July 1, 2022, sales of travel trailers, campers, or housecars that are exported or removed from Alabama within 72 hours by the purchaser or purchaser’s agent for first use outside Alabama are not subject to Alabama sales tax provided that the conditions in 1. and 2. above are met and the following additional documentation is collected and retained:

1. Copy of sales invoice.

2. Copy of the purchaser’s valid state-issued identification card, state-issued driver’s license, U.S. passport, or for entities, a copy of the same for the individual signing for the purchase. An entity must also provide a copy of the same for a member of an LLC or a member of the board of directors for a corporation as well as the location the travel trailer, camper, or housecar will be housed upon export from Alabama.

(2) The certificate must be executed by both the seller and the purchaser or the purchaser's agent at the time of the sale. A

certificate executed subsequent to the time of the sale shall be invalid and the Alabama sales tax shall be due from the seller on the sale for which the invalidated certificate was prepared.

(3) The certificate, properly completed, must be retained in the seller's records with a copy of the corresponding sales invoice, and when applicable, the additional documentation required in subparagraph (1)(b). The certificate and documents shall be available for inspection or examination by the department or any authorized agent during normal business hours. The seller will be liable for the Alabama sales tax on any sale for which the export exemption has been claimed but for which a properly executed certificate and sales invoice, and when applicable, additional documentation required in subparagraph (1)(b) are not maintained in the seller's records.

(4) A Certificate of Exemption - Out of State Delivery is not required for sales which qualify for the export exemption contained in Section 40-23-2(4) and for which the certificate is properly executed and maintained.

(5) Sales of other vehicles such as mobile homes, all terrain vehicles, and boats do not qualify for the export exemption provision and are taxable unless the seller can provide factual evidence that the vehicle was delivered outside Alabama or to a common carrier for transportation outside Alabama.

(6) In the event the laws of the state in which the purchaser will title or register the vehicle do not allow an Alabama resident to purchase a motor vehicle for first titling and registering in Alabama without the payment of tax to that state, the sale of the automotive vehicle to the nonresident will be subject to the Alabama state automotive sales tax rate. The tax collected will be state tax and will exclude county and municipal sales tax.

(7) A list of states that do not allow a reciprocal drive-out provision for Alabama residents purchasing automotive vehicles for first titling and registration in Alabama may be viewed on the Department’s website at: http://www.revenue.alabama.gov/salestax/. Such list will be updated annually. Sellers that have relied on list information that is later determined to be incorrect shall not be held liable for the non-collection of the state automotive sales tax.

Author: Ginger Buchanan, Christy Vandevender

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)((5), 40-23-2(4), 40-23-31.

History: Effective January 24, 1989. **Amended:** Filed January 6, 2016; effective February 10, 2016. **Amended:** Published September 30, 2022; effective November 14, 2022.

810-6-3-.43 Nurserymen - Sales Of Plants, Seedlings, Nursery Stock And Floral Products.

(1) The gross proceeds of the sales of seedlings, plants, shoots and slips which are to be used for planting vegetable gardens or truck farms and other agricultural purposes are exempt from sales and use tax. [Section 40-23-4(a)(22)]

(2) Sales of nursery stock and floral products by the nurseryman who planted, cultivated, and harvested said items are exempt from sales and use tax. Sales of nursery stock and floral products not planted, cultivated, or harvested by the seller are taxable. [Sections 40-23-2(1), 40-23-4(a)(44), and 40-23-61(a)]

(3) A nurseryman who claims the exemption outlined in paragraph (2) must keep sufficient records to document such claims; and, in the absence of sufficient documentation, shall be liable for the sales or use tax due on all sales for which exemption claims cannot be verified by the Revenue Department.

(4) The planting of trees, floral products, and shrubbery or other nursery stock on the real property of a customer pursuant to a contract to furnish such items and plant same does not constitute a retail sale by the person performing the contract; instead, the person is performing a contract for making additions, alterations, or improvements to realty and is deemed to be the user or consumer of the items which are planted. Accordingly, nurserymen who maintain an inventory of trees, floral products, and shrubbery or other nursery stock from which they make retail sales to customers and from which they also withdraw items for use in performing contracts for making additions, alterations, or improvements to realty shall purchase all such items tax-free and, in turn, remit sales tax collected from the customer on retail sales of items from inventory and compute and pay sales tax on items withdrawn from inventory for use or consumption in the performance of contracts. Nurserymen or landscapers who maintain no inventory and make no retail sales of trees, floral products, or shrubbery or other nursery stock shall remit the appropriate sales or use tax to the vendor at the time they purchase such items for use in performing contracts for making additions, alterations, or improvements to realty. Purchases or withdrawals of trees, floral products, and shrubbery or other nursery stock which qualify for the exemptions outlined in paragraphs (1) and (2) above are exempt from sales and use tax. (Adopted March 9, 1961, Amended January 20, 1966, readopted through APA effective October 1, 1982, Amended May 22, 1993) [Sections 40-23-1(a)(6), 40-23-1(a)(8), 40-23-1(a)(10), 40-23-2(1), and 40-23-61(a)]

Author: Dan DeVaughn

Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.

History: Adopted March 9, 1961. **Amended:** January 20, 1966. Filed September 28, 1982. Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993. **Amended:** Filed June 20, 1994; effective July 25, 1994.

810-6-3-.43.01 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.43.02 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.43.03 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.43.04 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.43.05 Paper Manufacturers - Items Used Not Subject To Tax Or Exempt (Repealed 11/3/98).

(Repealed 11/3/98)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed September 28, 1982. Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993.
Amended: Filed November 5, 1997; effective December 10, 1997.
Repealed: Filed September 29, 1998; effective November 3, 1998.

810-6-3-.44 Parakeets, Parrots, Canaries.

(1) Sales at retail of parakeets, parrots or canaries are subject to sales or use tax when made by dealers. Sales of these birds are not subject to tax, however, when they are products of a farm and

are sold by the producer or for him by a member of his family or by a person employed to assist in the production thereof. A person other than a dealer making a casual sale of a pet, or the offspring of that pet, is not required to collect and remit sales or use tax on such sale. [Sections 40-23-2(1), 40-23-4(a)(5), 40-23-61(a), and 40-23-62(8)]

(2) Sales of parakeets, parrots, and canaries by the producer do not qualify for the exemption contained in Section 40-23-4(a)(44) for sales of agricultural products by the person or corporation that planted, cultivated, and harvested such agricultural product. (Readopted through APA October 1, 1982)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed September 28, 1982. Filed January 15, 1993, certification filed April 15, 1993, effective May 20, 1993.

810-6-3-.45 Peat Moss.

When purchased for agricultural use as a soil conditioner or plant food, peat or peat moss is exempt from the sales or use tax, as the case may be, by the fertilizer exemptions found in Sections 40-23-4(a)(2) and 40-23-62(5). (State v. Flowerwood Nursery, Inc., 55 So. 2d 130)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed September 28, 1982. **Amended:** Effective March 24, 1993.

810-6-3-.46 Air And Water Pollution Control Exemption.

(1) The term "pollution control facilities" shall mean any system, method, construction, device, or appliance appurtenant thereto acquired for the primary purpose of eliminating, preventing, or reducing air and water pollution, or acquired for the primary purpose of treating, pretreating, modifying, or disposing of any potential solid, liquid, or gaseous pollutant which, if released without such treatment, pretreatment, modification, or disposal, might be harmful, detrimental, or offensive to the public and the public interest.

(2) The term "air pollution" shall mean the presence in the outdoor atmosphere of one or more air contaminants or combinations of contaminants in such quantities and of such characteristics, location, and duration which are injurious to the public and the public interest, or which unreasonably interfere with the comfortable enjoyment of life or property or to the conduct of business within affected areas.

(3) The term "air contaminant" shall mean dust, fumes, mist, smoke, other particulate matter, vapor, gas, odorous substances, or any combination thereof.

(4) The term "air contamination source" shall mean any source at, from, or by reason of which there is admitted into the atmosphere any air contaminant regardless of who owns or operates the building, premises, or other property in, at, or on which source is located, or the facility, equipment, or other property by which the emission is caused or from which the emission comes.

(5) The term "water pollution" shall mean the discharge or deposit of sewage, industrial wastes, or other wastes of such condition, manner, or quantity as may cause ground or surface water to be contaminated, unclean, or impure to such an extent to make said waters detrimental to the public and the public interest.

(6) Sections 40-23-4(a)(16) and 40-23-62(18), Code of Ala. 1975, exempt from sales and use tax the sale, storage, use, or consumption of

(i) all devices or facilities, including all identifiable components of the devices or facilities and all materials used in the devices or facilities, which are acquired primarily for the control, reduction, or elimination of air or water pollution and

(ii) all identifiable components of or materials used or intended for use in structures built primarily for the control, reduction, or elimination of air or water pollution.

(7) Noise pollution control devices are not exempt from the sales or use tax.

(8) To qualify for the pollution control exemption the primary purpose for acquiring tangible personal property purchased, stored, used, or consumed shall be the control, reduction, or elimination of air or water pollution. Property acquired for the primary purpose of controlling, reducing, or eliminating air or water pollution, qualifies for the exemption even though a secondary or incidental purpose may be its use in the production of goods or services. Property which is acquired primarily for the production of goods or services and is integral to a profit-motivated business purpose or activity does not qualify for the pollution control exemption even when the property controls, reduces, or eliminates air or water pollution. (Chemical Waste Management, Inc. v. State, 512 So. 2d 115 (Ala. Civ. App. 1987)).
Author: Susan E. Kennedy
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-4(a)(16), 40-23-62(18), 40-23-31 and 40-23-83.
History: Adopted March 9, 1970. **Amended:** August 16, 1974. Filed September 28, 1982. **Amended:** Filed June 25, 1998; effective July

30, 1998. **Amended:** Filed February 7, 2001; effective March 14, 2001.

810-6-3-.46.02 Post Office, Sales To The.

(1) The post office is a quasi-independent governmental agency and is, therefore, exempt from state taxation. The U. S. Postal Service as it exists today was created under the Postal Reorganization Act, Public Law No. 91-375, August 12, 1970, 84 Stat. 719. Section 10(a) of this Act provides that "The United States Postal Service shall be operated as a basic and fundamental service provided to the people by the government of the United States, authorized by the constitution, created by act of Congress and supported by the people."

(2) Section 201 of said Act provides: "There is established as an independent establishment of the Executive Branch of the Government of the United States, the United States Postal Service."

(3) It can be seen from reading the above quotations that the United States Postal Service remains a part of the Executive Branch of the Government of the United States. Therefore, sales of items to the post office would be exempt from state sales and use taxes.
Author: Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-4(a)(17), 40-23-31, 40-23-62(2).
History: **New Rule:** Filed August 29, 2016, effective October 13, 2016.

810-6-3-.47 Poultry Products.

(1) Baby chicks, broilers, eggs, and other poultry products are exempted when sold by the producer, members of his family, or persons employed by him to aid in the production thereof, and when produced in a rural area on premises which include cultivated areas used in connection with the production. (State v. Southland Hatchery, Spring term, 1950, 3 Div. 553.) (Section 40-23-4(a)(5), Code of Ala. 1975).
Author: Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-4(a)(5), 40-23-31, 40-23-62(7), 40-23-62(8), 40-23-83.
History: **New Rule:** Filed August 29, 2016, effective October 13, 2016.

810-6-3-.47.01 Prescription Drugs.

(1) Drugs as defined in Section 40-23-4.1(a), Code of Ala. 1975, are exempt from sales and use tax.

(2) The exemption referenced in Section (1) above applies to drugs purchased by hospitals, infirmaries, sanitariums, nursing homes, medical clinics, and physicians for use or consumption in rendering medical services to patients, as well as to drugs sold outright to patients by pharmacies on a doctor's prescription.

(3) Sales of drugs which meet the definition contained in Section 40-23-4.1(a), Code of Ala. 1975, are exempt regardless of whether they are diagnostic in nature or they are used in preventing, treating, or mitigating diseases.

(4) Items such as aspirin, vitamins, and shampoo that do not ordinarily require a physician's prescription are exempt from sales or use tax when prescribed by a physician and the prescription is filled dispensed by a licensed pharmacist, are exempt from tax.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4.1, 40-23-31, 40-23-83.
History: Adopted August 15, 1974. **Amended:** August 10, 1982. Filed September 28, 1982. **Amended:** effective January 29, 1990.

810-6-3-.47.02 Exemption From Sales And Use Tax For Privately Owned Educational Institutions.

(1) Sales to privately owned educational institutions are exempt from sales and use tax.

(2) Privately owned educational institutions are:

(a) Institutions operating within the State of Alabama offering conventional and traditional courses of study, such as those offered by public schools, colleges or universities within the State of Alabama. These are often referred to as “private schools”.

(b) Schools of business instruction where, in addition to specialized courses such as typing, there are also offered general courses in conventional academic subjects such as grammar, spelling, and mathematics.

(c) Kindergartens at which pre-grammar-school-age children are given initial instructions in the arts of reading, writing, and the use of numbers.

(3) Privately owned educational institutions are not:

(a) Institutions at which the courses of study are limited to specialized subjects such as dancing, riding, music, cooking, sewing, and welding.

(b) Nurseries, day care centers, or home schools.

(4) Nurseries or day care centers and kindergartens that are operated together must separate purchase records to support the exemption for the kindergarten. In the absence of separate records, the total purchases will be subject to the tax.
Author: Lee Ann Rouse
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-30, 40-23-31, 40-23-4.
History: Adopted March 9, 1961. **Amended:** November 1, 1963; August 16, 1974. Filed September 28, 1982. **Amended:** Filed August 27, 2014; effective October 1, 2014. **Repealed and New Rule:** Published August 31, 2021; effective October 15, 2021.

810-6-3-.47.03 Property To State, City, Or County For Use By Public Schools, Sales Of.

Sales of tangible personal property are exempted from sales and use taxes when made to state, county or city school boards or to other instrumentalities or agencies of the state or cities or counties of the state for use in the operation of public schools.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.47.04 Public Schools, Sales To.

Tangible personal property is exempted from sales and use taxes when purchased for the sole use and benefit of, and for use under control of a state, county, or city school from any funds under the control of such school where a purchase order is issued therefor by the principal of an elementary or high school or by an official authorized to make purchases for an institution of higher learning. The purchase order so issued must contain the following:

(a) The name and address of the school or institution.

(b) An itemized list of the property being purchased.

(c) A certificate to the effect that:

1. The property purchased will be under the control of and for the sole use and benefit of the school or institution named,

2. The person making the certificate and signing the purchase order is the principal of the school or official authorized to make purchases for an institution of higher learning.

Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.47.05 Public Schools - Athletic Equipment, Sales To.

(1) Sales of athletic equipment to public schools is exempted from sales tax where such sales are made in accordance with the provisions of Sales and Use Tax Rule 810-6-3-.47.04 governing sales to public schools, as mentioned above.

(2) In those instances where athletic equipment is purchased by a private person or private organization for use by a school, private or public, the sales thereof for such use is subject to tax.

Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.47.06 Public Schools, Public School Principals Or Teachers, Etc., Sales To.

(1) Sales of tangible personal property to public schools or for use therein shall not be subject to tax under the following circumstances:

(a) Where the property is sold pursuant to the purchase order issued by the State of Alabama or a county or city of the state or any instrumentality thereof.

(b) Where the property is sold pursuant to a certificate as provided for by Sales and Use Tax Rule 810-6-3-.47.04 entitled Sales To Public Schools.

(c) Where the property is sold for use in school lunchrooms in preparing meals to be sold to school children in school buildings, not for profit.

(d) Where the property sold is for resale in the school to students for consumption on the school premises or for use in the preparation of lessons and where the sales are made under the supervision and control of the school principal and with no profit to any individual.

(e) Where purchases of items for resale through fund raising projects are made by organizations such as Beta Clubs, Hi-Y Clubs, band clubs, athletic clubs, civic clubs, and class organizations under the control and supervision of the administrative head of the school. (State of Alabama v. Monk and Associates, Inc.)

(2) Vendors making sales to public school principals or teachers must treat as subject to sales tax any sales of property for the private and personal use of any individual except as noted above.

(3) Vendors making sales to students for their personal use cannot claim exemption even though such sales may be made through the school principal or a teacher or an organized group affiliated with the institution.

(4) The records to be maintained by vendors making sales to public school principals in order to establish an exemption under this rule shall include a copy of the vendor's invoice giving the name of the school, the name of the principal, and a description of the goods; provided, it will not be necessary to have the principal sign the purchase order where delivery is made to a school lunchroom or to a school supply store regularly making purchases of property exempted under this rule. It is further provided that a signed purchase order alone will not guarantee exemption to a vendor where the goods sold would not customarily be used for educational purposes. In instances of such sales, the vendor must be prepared to prove that the goods were used in connection with a recognized and approved public school program under the supervision and control of the school officials.

(5) Examples of vendors' sales which would not be subject to sales tax:

(a) Sales of food or supplies to school lunchrooms.

(b) Sales of cold drinks, milk, ice cream, and school supplies to an established school supply store operated under the supervision and control of the school principal.

(c) Sales of classroom supplies to a principal or teacher pursuant to properly executed purchase orders signed by the administrative head of the school.

(d) Sales of fuel delivered to a public school for school use.

(6) Examples of vendors' sales which would be subject to sales tax:

(a) Sale of desk set to a principal for his personal use.

(b) Sales of class rings to students, either directly to the students or through a teacher or school organization.

(c) Sales of school photographs either directly to students or to students through a teacher or a school organization.

(d) Sales of sweaters and jackets to students either directly to students or to students through a teacher or a school organization.

(7) Such property listed in paragraph 6(b) through 6(d) is not school property and is not used for school purposes, but becomes solely the property of the student who ultimately pays for the item. (Hibbett Sporting Goods, Inc. v. State of Alabama)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(11), 40-23-31.
History: Amended: October 29, 1976. Filed September 28, 1982.

810-6-3-.48 Repairs To Equipment, When Not Subject To Tax.

Materials which pass to the repairman's customer, and which do not lose their identity, such as auto repair parts, radio tubes, and condensers, are sold at retail by the repairman. He must report and pay sales tax on such sales provided delivery is made to the customer in Alabama. If the repairman delivers the repaired equipment to the customer or the equipment is delivered by common carrier to a point outside the State of Alabama, the sale is in interstate commerce not subject to Alabama sales tax. See Rule 810-6-1-.142.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §40-23-31.
History: Filed September 28, 1982.

810-6-3-.48.01 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.48.02 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.48.03 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.48.04 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.48.05 Exemption For Certain Purchases By Film Production Companies Approved By The Alabama Film Office (Repealed 2/10/12).

(REPEALED)
Author: Ginger L. Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-4(46), 40-23-31, 40-23-62(35), 40-23-83.
History: Adopted August 10, 1982. Filed September 28, 1982.
Repealed: Filed September 15, 1998; effective October 20, 1998.
New Rule: Filed March 25, 2002, effective April 29, 2002.
Amended: Filed January 19, 2006; effective February 23, 2006.
Repealed: Filed January 6, 2012; effective February 10, 2012.

810-6-3-.49 Redevelopment Authorities.

(1) Definitions

(a) Authority – Any local redevelopment authority organized pursuant to §11-92C, Code of Ala. 1975.

(b) Department – The Alabama Department of Revenue.

(c) Payment in Lieu of Tax – Payments required by an authority to be made by any private user of the project to the authority or to a cooperative district to which the authority is a member that are administered in a parallel manner to state transient occupancy, ad valorem, sales, and use taxes.

(d) Private User – A lessee, manager, non-governmental user, or any person relating to the planning, development, construction, operation, management, or maintenance of a project.

(2) Reporting Requirement

(a) An authority shall annually report the following information to the Department:

1. Total amount of payments in lieu of tax received by the authority.

2. Total amount of proceeds of any tax, fee, charge, or payment in lieu of tax received and used by the authority, or that an authority caused any cooperative district of which it is a member to receive and use to pay the costs of any project or for any other purposes for which the authority may use its own funds.

(b) The Department shall compile and publish a summary of this information each year on its website.

(3) Annual Report

(a) Each authority required to file an annual report with the Department shall submit its report for the previous fiscal year no later than December 1.

(b) The initial annual report for the period of October 1, 2025, through September 30, 2026, shall be due to the Department no later than December 1, 2026. All subsequent annual reports shall be due no later than December 1 and shall include information from the previous fiscal year.

(c) The annual report shall be submitted to the Department by email to localtaxunit@revenue.alabama.gov.
Author: Christy Vandevender
Statutory Authority: § 40-2A-7(a)(5), Code of Ala. 1975 and Act 2025-323
History: **New Rule:** Published September 30, 2025; effective November 14, 2025.

810-6-3-.50 Credit Card Transaction Fees.

1. To be excludable from the measure of sales and use tax, the credit card transaction fee, as defined in Act 2026-587, must be separate and identifiable from other charges.

Author: Christy Vandevender
Statutory Authority: § 40-2A-7(a)(5), Code of Ala. 1975 and Act 2026-587.

History: Amended: Published August 31, 2026; effective October 15, 2026.

810-6-3-.51 Municipal Sales And Use Taxes And Gross Receipts Taxes (Repealed 9/5/13).

Author: Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Adopted August 15, 1974. Filed September 28, 1982. **Amended:** Effective January 10, 1985. Filed with LRS January 10, 1994. Certification filed with LRS March 30, 1994, effective May 4, 1994. **Amended:** Filed September 15, 1998; effective October 20, 1998. **Repealed:** Filed August 1, 2013; effective September 5, 2013.

810-6-3-.52 State Sales, Use, And Lodgings Tax Exemption For Qualified Production Companies.

(1) Purpose. This rule sets forth guidelines and procedures to be used by the Department of Revenue in the administration of Act 2009-144, as codified in Article 3, Chapter 7A of Title 41 of the Code of Ala. 1975.

(2) Definitions. For purposes of this rule, and to the extent not inconsistent with the Rules of the Alabama Film Office, these terms shall be defined as follows:

(a) Department: The Alabama Department of Revenue.

(b) Office: The Alabama Film Office.

(c) Qualified Production Company: This term shall have the same meaning as ascribed to it in Code of Ala. 1975, Section 41-7A-42.

(d) Report: Statement of a CPA issued upon the completion of the Final Incentive Audit that provides a summary of the Production Expenditures Expended in Alabama. (Required by Alabama Department of Commerce/Alabama Film Office Incentives Rule 281-3-1-.02(1)(w)).

(e) State-Certified Production: This term shall have the same meaning as ascribed to it in Code of Ala. 1975, Section 41-7A-42.

(3) Act 2009-144, as codified in Article 3, Chapter 7A of Title 41 provides for an exemption of state sales, use, and lodgings taxes levied pursuant to Sections 40-23-2, 40-23-61, and 40-26-1, respectively, of the Code of Ala. 1975 for Qualified Production Companies that incur, in the aggregate, $150,000 or more in

connection with one or more State-Certified Productions within a consecutive 12 month period.

(4) The Qualified Production Company must submit an application to the Office for approval. (See Alabama Department of Commerce/ Alabama Film Office Incentives Rule 281-3-1-.04 for requirements and procedures)

(5) Once approved, the Office shall issue an approval letter to the Qualified Production Company and to the Department notifying both that the Qualified Production has been approved. The approval letter shall provide the total amount of Incentives approved and a breakdown of the Incentives awarded by State sales, use and lodgings tax and by Rebate. Upon receipt of the approval letter, the Department will issue a state sales, use, and lodgings tax exemption certificate to the Qualified Production Company. This exemption certificate shall be used by the Qualified Production Company to claim the exemption from the state portion of sales, use and lodgings tax when making qualifying purchases and/or accommodations. Local sales, use and lodgings tax are not exempt and shall be paid to the vendor at the time of purchase or at the time the accommodations are provided. The exemption is effective on the date the exemption certificate is issued by the Department.

(6) Upon completion of production activities within the State of Alabama on the State-Certified Production, the Qualified Production Company shall return the state sales, use, and lodgings tax exemption certificate to the Department.

(7) The Report is required to be filed with the Office as provided for in Alabama Department of Commerce/Alabama Film Office Incentives Rule 281-3-1-.06, and shall identify, on a city-by-city and county-by-county basis, the amount of total incentives used in the way of exemptions from state sales, use and lodgings taxes, in addition to specifically identifying the amount of the total Production Expenditures eligible for the Rebate.

(8) If a Qualified Production Company fails to timely submit the Report to the Office as provided for in Rule 281-3-1-.06, the Qualified Production Company shall become liable for the state sales, use, and lodgings taxes that would otherwise have been paid.

(9) If the Qualified Production Company, which is producing a State-Certified Production, incurs Production Expenditures in an amount less than $150,000, then the Qualified Production Company shall be liable for the state sales, use, and lodgings taxes that would have been paid had the exemption not been granted; provided, however, that if the Qualified Production Company pays the state sales, use, and lodgings taxes due within 60 days of the date the Report was submitted, the Qualified Production Company shall incur no penalties.

Author: Traci Floyd, Angela Till

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 41-7A-40 through 41-7A-48.
History: Adopted August 15, 1974. Filed September 28, 1982. **Amended:** Effective January 10, 1985. Filed with LRS January 10, 1994. Certification filed with LRS March 30, 1994, effective May 4, 1994. **Amended:** Filed September 15, 1998; effective October 20, 1998. **Repealed:** Filed August 1, 2013; effective September 5, 2013. **New Rule:** Filed January 27, 2014; effective March 3, 2014.

810-6-3-.53 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.54 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.55 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.56 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.57 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.58 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.59 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.60 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.61 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.62 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.63 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.64 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.65 Sales Tax Holiday For "Back-To-School".

(1) In accordance with § 40-23-211, Code of Ala. 1975, the Back-to-School Sales Tax Holidays will be held each year on the third full weekend of July beginning at 12:01 a.m. on Friday and ending at twelve midnight on the following Sunday, whereby no state sales or use tax will be due on "covered items" as defined herein. This annual period during which purchases of covered items are exempt

from state sales and use taxes is referred to as the “Back-to-School” Sales Tax Holiday.

(2)(a) The provisions of Act 2025-280 do not apply to the Back-to-School sales tax holiday.

(b) Any county or municipality may, by resolution or ordinance adopted at least 90 days prior to the third full weekend of July, provide for the exemption of "covered items" from county or municipal sales or use taxes during the same time period, under the same terms, conditions, and definitions as provided for the state sales tax holiday. A county or municipality is prohibited from providing for a sales and use tax exemption during any period other than a state sales tax holiday. A participating county or municipality shall submit a certified copy of their adopted resolution or ordinance providing for the sales tax holiday, and any subsequent amendments thereof, to the department. The Department will compile this information into a list of all counties and municipalities participating in the “Back-to-School” Sales Tax Holiday and issue a current publication of the list on its website.

(3) For sales tax holidays through and including the July 2025 Back-to-School sales tax holiday, "covered items" means: articles of clothing with a sales price of one hundred dollars ($100), or less, per article of clothing. For sales tax holidays beginning with the July 2026 Back-to-School sales tax holiday, "covered items" means articles of clothing with a sales price of one hundred fifty six dollars ($156), or less, per article of clothing. The exemption applies regardless of how many items are sold on the same invoice to a customer. "Clothing" means all human wearing apparel suitable for general use including sandals, shoes and sneakers. Clothing shall not include the following items, which are excluded from the exemption:

(a) Belt buckles sold separately;

(b) Costume masks sold separately;

(c) Patches and emblems sold separately;

(d) Sewing equipment and supplies including, but not limited to, knitting needles, patterns, pins, scissors, sewing machines, sewing needles, tape measures, and thimbles;

(e) Sewing materials that become part of "clothing" including, but not limited to, buttons, fabric, lace, thread, yarn, and zippers;

(f) Clothing accessories or equipment, protective equipment, or sport or recreational equipment, as defined below.

1. "Clothing accessories or equipment" means incidental items worn on the person or in conjunction with "clothing". The following list includes examples of "clothing accessories or equipment" and is not intended to be an all-inclusive list:

(i) briefcases;

(ii) cosmetics;

(iii) hair notions, including, but not limited to, barrettes, hair bows, and hair nets;

(iv) handbags;

(v) handkerchiefs;

(vi) jewelry;

(vii) sun glasses, non-prescription;

(viii) umbrellas;

(ix) wallets;

(x) watches; and

(xi) wigs and hair pieces.

2. "Protective equipment" means items for human wear and designed as protection of the wearer against injury or disease or as protections against damage or injury of other persons or property but not suitable for general use. The following list includes examples of "protective equipment" and is not intended to be an all-inclusive list:

(i) breathing masks;

(ii) clean room apparel and equipment;

(iii) ear and hearing protectors;

(iv) face shields;

(v) hard hats;

(vi) helmets;

(vii) paint or dust respirators;

(viii) protective gloves;

(ix) safety glasses and goggles;

(x) safety belts;

(xi) tool belts; and

(xii) welders gloves and masks.

3. "Sport or recreational equipment" means items designed for human use and worn in conjunction with an athletic or recreational activity that are not suitable for general use. The following list includes examples of "sport or recreational equipment" and is not intended to be an all-inclusive list:

(i) ballet and tap shoes;

(ii) cleated or spiked athletic shoes;

(iii) gloves, including, but not limited to, baseball, bowling, boxing, hockey, and golf;

(iv) goggles,

(v) hand and elbow guards;

(vi) life preservers and vests;

(vii) mouth guards;

(viii) roller and ice skates;

(ix) shin guards;

(x) shoulder pads;

(xi) ski boots;

(xii) waders; and

(xiii) wetsuits and fins.

(4) For sales tax holidays through and including the July 2025 Back-to-School sales tax holiday, "covered items" means: a single purchase, with a sales price of one thousand one hundred and seventy three dollars ($1,173), or less, of computers, computer software, and school computer supplies. "Computer," "computer software," and "school computer supplies" shall not include furniture and any systems, devices, software, peripherals designed or intended primarily for recreational use, or video games of a non-educational nature. These items are defined as follows:

(a) "Computer" means an electronic device that accepts information in digital or similar form and manipulates it for a result based on a sequence of instructions, also known as a central processing unit (CPU). For purposes of the exemption during the sales tax holiday, a computer may include a laptop, desktop, or tower computer system which consists of a CPU, display monitor, keyboard, mouse, and speakers sold as a computer package. For the sales tax holidays through and including the July 2025 Back-to-School sales tax holiday, the computer package will qualify for the exemption if the dollar amount of the sale is at or below seven hundred fifty dollars ($750). For the sales tax holiday beginning with the July 2026 Back-to-School sales tax holiday, the computer package will qualify for the exemption if the dollar amount of the sale is at or below one thousand one hundred seventy three dollars ($1,173). However, display monitors, keyboards, mouse devices, speakers and other computer parts or devices designed for use in conjunction with a personal computer not sold as part of a package will not qualify for the exemption.

(b) "Computer software" means a set of coded instructions designed to cause a "computer" or automatic data processing equipment to perform a task.

(c) "School computer supply" means an item commonly used by a student in a course of study in which a computer is used. The following is an all-inclusive list of school computer supplies:

1. Computer storage media; diskettes and compact disks;

2. Handheld electronic schedulers, except devices that are cellular phones;

3. Personal digital assistants, except devices that are cellular phones;

4. Computer printers; and

5. Printer supplies for computers; printer paper, and printer ink.

(5) For sales tax holidays through and including the July 2025 Back-to-School sales tax holiday, "covered items" means: noncommercial purchases of school supplies, school art supplies, and school instructional material, up to a sales price of fifty dollars ($50) per item. For the sales tax holiday beginning with the July 2026 Back-to-School sales tax holiday, "covered items" means noncommercial purchases of school supplies, school art supplies, and school instructional material, up to a sales price of seventy eight dollars ($78) per item. These items are defined as follows:

(a) "School supply" is an item commonly used by a student in a course of study. The following is an all-inclusive list:

1. Binders;

2. Book bags;

3. Calculators;

4. Cellophane tape;

5. Blackboard chalk;

6. Compasses;

7. Composition books;

8. Crayons;

9. Erasers;

10. Folders, expandable, pocket, plastic, and manila; 11. Glue, paste, and paste sticks;

12. Highlighters;

13. Index cards;

14. Index card boxes;

15. Legal pads;

16. Lunch boxes;

17. Markers;

18. Notebooks;

19. Paper, loose leaf ruled notebook paper, copy paper, graph paper, tracing paper, manila paper, colored paper, poster board, and construction paper;

20. Pencil boxes and other school supply boxes; 21. Pencil sharpeners;

22. Pencils;

23. Pens;

24. Protractors;

25. Rulers;

26. Scissors; and

27. Writing tablets.

(b) "School art supply" is an item commonly used by a student in a course of study for artwork. The following is an all-inclusive list:

1. Clay and glazes;

2. Paints, acrylic, tempora, and oil;

3. Paintbrushes for artwork;

4. Sketch and drawing pads; and

5. Watercolors.

(c) "School instructional material" is written material commonly used by a student in a course of study as a reference and to learn the subject being taught. The following is an all inclusive list:

1. Reference maps and globes;

2. For sales tax holidays through and including the July 2025 Back-to-School sales tax holiday, required textbooks on an official school book list with a sales price of more than thirty dollars ($30) and less than fifty dollars ($50).

3. For sales tax holidays beginning with the July 2026 Back-to-School sales tax holiday, required textbooks on an official school book list with a sales price of more than forty seven dollars ($47) and less than seventy eight dollars ($78).

(6) For sales tax holidays through and including the July 2025 Back-to-School sales tax holiday, "covered items" means: noncommercial purchases of books with a sales price of not more than thirty dollars ($30) per book. For sales tax holidays beginning with the July 2026 Back-to-School sales tax holidays, "covered items" means noncommercial purchases of books with a sales price of not more than forty seven dollars ($47) per book. The term book shall mean a set of printed sheets bound together and published in a volume with an ISBN number, but does not include magazines, newspapers, periodicals, or any other document printed or offered for sale in a non-bound form.

(7) Covered items are exempt only if the individual item is priced at or below the established threshold for the exemption. Exemption for only a portion of an individual item is not allowed. The

following example illustrates the application of the rule to the exemption:

(a) A customer purchases a pair of pants costing $160. Tax is due on the entire $160. The exemption does not apply to the first $156 of the price of an item of clothing selling for more than $156.

(8) Splitting of items normally sold together. To qualify for the exemption, items normally sold in pairs shall not be separated, and articles that are normally sold as a single unit must continue to be sold in that manner. The following examples illustrate the application of the rule to the exemption:

(a) A pair of shoes sells for $312. The pair of shoes cannot be split in order to sell each shoe for $156 to qualify for the exemption.

(b) A suit is normally priced at $300. The suit cannot be split into a coat and slacks so that one of the articles may be sold for $156 or less to qualify for the exemption. However, articles that are normally sold as separate articles, such as a sport coat and slacks, may continue to be sold as separate articles and qualify for the exemption.

(c) A packaged gift set consisting of a wallet (ineligible item) and tie (eligible item) would not qualify for the exemption.

(9) "Buy one, get one free" and other similar offers. If a dealer offers "buy one, get one free" or "two for the price of one" on covered items, the purchase shall qualify for the exemption when all other conditions of the exemption are met. However, if a dealer offers a "buy one, get one for a reduced price" the two prices cannot be averaged to qualify both items for the exemption. The following examples illustrate the application of the rule to the exemption:

(a) A dealer offers "buy one, get one free" on a pair of shoes. The first pair of shoes has a sale price of $155 and the second pair is free. Both pairs of shoes will qualify for the exemption because the first pair of shoes does not exceed the $156 exemption limitation.

(b) A coat is purchased for $300 and a second coat is purchased for half price ($150) at the time the first coat is purchased. The second coat will qualify for the exemption, but the tax will be due on the first coat. In this example, the sales price of the items may not be averaged in order to qualify for the exemption.

(10) Discounts, coupons, and rebates. A discount by the seller reduces the sales price of the item and the discounted sales price

determines whether the sales price is within the sales tax holiday price threshold. A coupon that reduces the sales price is treated as a discount if the seller is not reimbursed for the coupon amount by a third-party. If a discount applies to the total amount paid by a purchaser rather than to the sales price of a particular item and the purchaser has purchased both eligible property and taxable property, the seller should allocate the discount based on the total sales prices of the taxable property compared to the total sales prices of all property sold in that same transaction. The application of the exemption to discounts, coupons and rebates extended on a covered item during the exemption period is illustrated by the following examples:

(a) If a dealer sells a pair of jeans with a sales price of $170 and offers to discount the item 10 percent at the time of sale, the exemption would apply because the actual sales price of the jeans is $153.

(b) If a customer buys a $400 suit and a $55 shirt, and the retailer is offering a 10 percent discount, after applying the 10 percent discount, the final sales price of the suit is $360, and the sales price of the shirt is $49.50. The suit is taxable (its price is over $156) and the shirt is exempt (its price is less than $156).

(c) If a dealer offers a reduction in sales price of $100 through a store coupon for a computer with a sales price of $1,273, the exemption would apply to the purchase because the dealer's actual sales price to the customer is $1,173.

(d) If a customer gives to a dealer a manufacturer's coupon for $100 for a computer with a sales price of $1,273, the exemption would not apply.

(e) Rebates generally occur after the sale, thus the amount of the rebate does not affect the sales price of the purchased item. For example, if a pair of jeans was purchased for $166 with a manufacturer's rebate for $10, the exemption would not apply because the sales price is in excess of $156.

(11) Exchanges. The application of the exemption to an exchange of a covered item purchased during the exemption period is illustrated by the following examples:

(a) A customer purchases a covered item during the exemption period, but later exchanges the item for a different size, color, or other feature, and the original sale is not cancelled. No additional tax is due even though the exchange is made after the exemption period.

(b) A customer purchases a covered item during the exemption period. After the exemption period has ended, the customer returns the item and receives credit on the purchase of a

different item and the original sale is cancelled. Sales tax is due on the total sales price of the newly purchased item.

(c) A customer purchases a covered item before the exemption period. During the exemption period the customer returns the item and receives credit on the purchase of a different covered item and the original sale is cancelled. Sales tax is not due on the sale of the new item if the new item is purchased during the exemption period.

(12) Layaway sales. A layaway sale is a transaction in which articles are set aside for future delivery to a purchaser who makes a deposit, agrees to pay the balance of the sales price over a period of time, and, at the end of the payment period, receives the merchandise. A sale of a covered item under a layaway sale will qualify for the exemption when final payment on the layaway order is made by, and the item is given to, the purchaser during the exemption period; or when title to the covered item transfers to the purchaser and delivery is made to the purchaser during the exemption period. A sale made by completion of transfer of title after the exemption period shall not qualify for the exemption.

(13) Rain checks. A rain check allows a customer to purchase an item at a certain price at a later time because the particular item was out of stock. Covered items purchased during the exemption period with the use of a rain check will qualify for the exemption regardless of when the rain check was issued. Issuance of a rain check during the exemption period will not qualify a covered item for the exemption if the item is actually purchased after the exemption period.

(14) Mail, telephone, e-mail, and Internet sales. The sale of a covered item qualifies for exemption when sold through the mail, telephone, e-mail or Internet when the item is paid for and delivered to the customer during the exemption period; or when title to the covered item transfers to the purchaser and delivery is made to the purchaser during the exemption period. Pursuant to Section 40-23-1(a)(5), the sale of an item is not closed or completed until the time and place where delivery occurs to the purchaser after the act of transportation ends and the item comes to rest in this state for use or consumption. Covered items that are pre-ordered and delivered to the customer during the exemption period qualify for the exemption.

(15) Gift certificates and gift cards. Covered items purchased during the exemption period using a gift certificate or gift card will qualify for the exemption, regardless of when the gift certificate or gift card was purchased. Covered items purchased after the exemption period using a gift certificate or gift card are taxable even if the gift certificate or gift card was purchased during the exemption period. A gift certificate or gift card cannot be used to reduce the selling price of a covered item in order for the item to qualify for the exemption.

(16) Returns. For a 60 day period immediately after the sales tax holiday exemption period, when a customer returns an item that would qualify for the exemption, no credit for or refund of sales tax shall be given unless the customer provides a receipt or invoice that shows tax was paid, or the seller has sufficient documentation to show that tax was paid on the specific item. This 60 day period is set solely for the purpose of designating a time period during which the customer must provide documentation that shows that sales tax was paid on returned merchandise. The 60 day period is not intended to change a seller's policy on the time period during which the seller will accept returns.

(17) Different time zones. The time zone of the purchaser's location determines the authorized time period for a sales tax holiday when the purchaser is located in one time zone and a seller is located in another.

(18) Records. The retailer is not required to obtain an exemption certificate on sales of covered items during the exemption period. However, the retailer's records should clearly identify the type of item sold, the date on which the item was sold, the sales price of all items and, if applicable, any tax charged.

(19) Reporting Exempt Sales. No special reporting procedures are necessary to report exempt sales on covered items made during the exemption period. Exempt sales are to be included in the Gross Sales Amount and in the Deductions amount reported on the state and local returns. Taxable sales and exempt transactions should be reported as currently required by law.

(20) Transportation Charges.

(a) Where delivery is made by common carrier or the U.S. Postal Service, the transportation charge if billed as a separate item and paid directly or indirectly by the purchaser, is excluded from the sales price of the covered item. Transportation charges made by any other means are included as part of the sales price of the covered item, whether or not separately stated. Transportation charges are not separately stated if included with other charges and billed as "shipping and handling" or "postage and handling."

(b) "Shipping and handling" or "postage and handling" charges are included as part of the sales price of the covered item, whether or not separately stated. If multiple items are shipped on a single invoice, to determine if any covered items qualify for the exemption for purposes of determining a sales tax holiday price threshold, the shipping and handling charge or postage and handling charge must be proportionately allocated to each item ordered, and separately identified on the invoice.

Author: Debra Lee, Ginger Buchanan, Christy Vandevender

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-201 thru 40-23-213, U.S. Department of Labor, Bureau of Labor Statistics.
History: Filed September 28, 1982. **Repealed:** Filed June 4, 1998; effective July 9, 1998. **New Rule:** Filed October 4, 2006; effective November 8, 2006. **Amended:** Filed December 19, 2012; effective January 23, 2013. **Amended:** Filed October 2, 2017; effective November 16, 2017. **Amended:** Published September 30, 2025; effective November 14, 2025.

810-6-3-.66 Sales Tax Holiday For Severe Weather Preparedness.

(1) In accordance with § 40-23-231, Code of Ala. 1975, the Severe Weather Preparedness Sales Tax Holiday begins at 12:01 a.m. on the Friday of the last full weekend in February and ends at twelve midnight the following Sunday, whereby no state sales or use tax is due on "covered items" as defined herein. This annual period during which purchases of covered items are exempt from state sales and use taxes is referred to as the Severe Weather Preparedness Sales Tax Holiday.

(2)(a) The provisions of Act 2025-280 do not apply to the Severe Weather Preparedness sales tax holiday.

(b) Any county or municipality may, by resolution or ordinance adopted at least 90 days prior to the last full weekend of February, provide for the exemption of "covered items" from county or municipal sales or use taxes during the same time period, under the same terms, conditions, and definitions as provided for the state sales tax holiday. A county or municipality is prohibited from providing a sales and use tax exemption during any period other than concurrently with a state sales tax holiday. A participating county or municipality shall submit a certified copy of their adopted resolution or ordinance providing for the sales tax holiday, and any subsequent amendments thereof, to the department at least 90 days prior to the last full weekend in February. The Department will compile a list of all counties and municipalities participating in the Severe Weather Preparedness Sales Tax Holiday and issue a current publication of the list on its website.

(3) “Covered items” include the following selling for $94 or less per item:

(a) Any package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding coin batteries and automobile and boat batteries;

(b) Any cellular phone battery or cellular phone charger;

(c) Any portable self-powered or battery-powered radio, two-way radio, weatherband radio, or NOAA weather radio;

(d) Any portable self-powered light source, including battery-powered flashlights, lanterns, or emergency glow sticks;

(e) Any tarpaulin, plastic sheeting, plastic drop cloths or other flexible, waterproof sheeting;

(f) Any ground anchor system, such as bungee cords or rope, or tie-down kit;

(g) Any duct tape;

(h) Any plywood, window film or other materials specifically designed to protect window openings;

(i) Any non-electric food storage cooler or water storage container;

(j) Any non-electric can opener;

(k) Any artificial ice, blue ice, ice packs, or reusable ice;

(l) Any self-contained first aid kit;

(m) Any fire extinguisher, smoke detector or carbon monoxide detector; and,

(n) Any gas or diesel fuel tank or container.

(4) "Covered items" also includes any portable generator and power cords used to provide light or communications or preserve food in the event of a power outage selling for $1,564 or less per item.

(5) Covered items are exempt only if the individual item is priced at or below the established threshold for the exemption. Exemption for only a portion of an individual item is not allowed. The following example illustrates the application of the rule to the exemption:

(a) A customer purchases a generator for $1,800. Tax is due on the entire $1,800. The exemption does not apply to the first $1,564 of the price of a generator selling for more than $1,564.

(6) Splitting of items normally sold together. To qualify for the exemption, items normally sold in pairs shall not be separated, and articles that are normally sold as a single unit must continue to be sold in that manner.

(7) "Buy one, get one free" and other similar offers. If a dealer offers "buy one, get one free" or "two for the price of one" on

covered items, the purchase shall qualify for the exemption when all other conditions of the exemption are met. However, if a dealer offers a "buy one, get one for a reduced price" the two prices cannot be averaged to qualify both items for the exemption.

(8) Discounts, coupons, and rebates. A discount by the seller reduces the sales price of the item and the discounted sales price determines whether the sales price is within the sales tax holiday price threshold. A coupon that reduces the sales price is treated as a discount if the seller is not reimbursed for the coupon amount by a third-party. If a discount applies to the total amount paid by a purchaser rather than to the sales price of a particular item and the purchaser has purchased both eligible property and taxable property, the seller should allocate the discount based on the total sales prices of the taxable property compared to the total sales prices of all property sold in that same transaction. The application of the exemption to discounts, coupons and rebates extended on a covered item during the exemption period is illustrated by the following examples:

(a) If a dealer offers to sell a portable radio with a sales price of $115 at a discount of 20 percent at the time of sale, the exemption would apply because the actual sales price of the radio is $92.

(b) If a dealer offers a reduction in sales price of $500 through a store coupon for a portable generator with a sales price of $2,000, the exemption would apply to the purchase because the dealer's actual sales price to the customer is $1,500.

(c) If a customer gives a dealer a manufacturer's coupon for $100 for a portable generator with a sales price of $1,600, the exemption would not apply.

(d) Rebates generally occur after the sale, thus the amount of the rebate does not affect the sales price of the purchased item. For example, if a portable generator was purchased for $1,600 with a manufacturer's rebate for $100, the exemption would not apply because the sales price is in excess of $1,564.

(9) Exchanges. The application of the exemption to an exchange of a covered item purchased during the exemption period is illustrated by the following examples:

(a) A customer purchases a covered item during the exemption period, but later exchanges the item for a similar item of a different size, color, or other feature at the same price and the original sale is not cancelled. No additional tax is due even though the exchange is made after the exemption period.

(b) A customer purchases a covered item during the exemption period. After the exemption period has ended, the customer returns the item and receives credit on the purchase of a different item and the original sale is cancelled. Sales tax is due on the total sales price of the newly purchased item.

(c) A customer purchases a covered item before the exemption period. During the exemption period the customer returns the item and receives credit on the purchase of a different covered item and the original sale is cancelled. Sales tax is not due on the sale of the new item if the new item is purchased during the exemption period.

(10) Layaway sales. A layaway sale is a transaction in which articles are set aside for future delivery to a purchaser who makes a deposit, agrees to pay the balance of the sales price over a period of time, and, at the end of the payment period, receives the merchandise. A sale of a covered item under a layaway sale will qualify for the exemption when final payment on the layaway order is made by, and the item is given to, the purchaser during the exemption period; or when title to the covered item transfers to the purchaser and delivery is made to the purchaser during the exemption period. A sale made by completion of transfer of title after the exemption period shall not qualify for the exemption.

(11) Rain checks. A rain check allows a customer to purchase an item at a certain price at a later time because the particular item was out of stock. Covered items purchased during the exemption period with the use of a rain check will qualify for the exemption regardless of when the rain check was issued. Issuance of a rain check during the exemption period will not qualify a covered item for the exemption if the item is actually purchased after the exemption period.

(12) Mail, telephone, e-mail, and Internet sales. The sale of a covered item qualifies for exemption when sold through the mail, telephone, e-mail or Internet when the item is paid for and delivered to the customer during the exemption period; or when title to the covered item transfers to the purchaser and delivery is made to the purchaser during the exemption period. Pursuant to § 40-23-1(a)(5), the sale of an item is not closed or completed until the time and place where delivery occurs to the purchaser after the act of transportation ends and the item comes to rest in this state for use or consumption. Covered items that are pre-ordered and delivered to the customer during the exemption period qualify for the exemption.

(13) Gift certificates and gift cards. Covered items purchased during the exemption period using a gift certificate or gift card will qualify for the exemption, regardless of when the gift certificate or gift card was purchased. Covered items purchased after the exemption period using a gift certificate or gift card are taxable even if the gift certificate or gift card was

purchased during the exemption period. A gift certificate or gift card cannot be used to reduce the selling price of a covered item in order for the item to qualify for the exemption.

(14) Returns. For a 60 day period immediately after the sales tax holiday exemption period, when a customer returns an item that would qualify for the exemption, no credit for or refund of sales tax shall be given unless the customer provides a receipt or invoice that shows tax was paid, or the seller has sufficient documentation to show that tax was paid on the specific item. This 60 day period is set solely for the purpose of designating a time period during which the customer must provide documentation that shows that sales tax was paid on returned merchandise. The 60 day period is not intended to change a seller's policy on the time period during which the seller will accept returns.

(15) Different time zones. The time zone of the purchaser's location determines the authorized time period for a sales tax holiday when the purchaser is located in one time zone and a seller is located in another.

(16) Records. The retailer is not required to obtain an exemption certificate on sales of covered items during the exemption period. However, the retailer's records should clearly identify the type of item sold, the date on which the item was sold, the sales price of all items and, if applicable, any tax charged.

(17) Reporting Exempt Sales. No special reporting procedures are necessary to report exempt sales on covered items made during the exemption period. Exempt sales are to be included in the Gross Sales Amount and in the Deductions amount reported on the state and local returns. Taxable sales and exempt transactions should be reported as currently required by law.

(18) Transportation Charges.

(a) Where delivery is made by common carrier or the U.S. Postal Service, the transportation charge, if billed as a separate item and paid directly or indirectly by the purchaser, is excluded from the sales price of the covered item. Transportation charges made by any other means are included as part of the sales price of the covered item, whether or not separately stated. Transportation charges are not separately stated if included with other charges and billed as "shipping and handling" or "postage and handling."

(b) "Shipping and handling" or "postage and handling" charges are included as part of the sales price of the covered item, whether or not separately stated. If multiple items are shipped on a single invoice, to determine if any covered items qualify for the exemption for purposes of determining a sales tax holiday price threshold, the shipping and handling charge or postage and handling charge must be proportionately

allocated to each item ordered, and separately identified on the invoice.
Author: Debbie Lee, Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-1, 40-23-31, 40-23-83, 40-23-230 through 40-23-233, U.S. Department of Labor, Bureau of Labor Statistics.
History: **New Rule:** Filed August 8, 2012, effective September 12, 2012. **Amended:** Published September 30, 2025; effective November 14, 2025.

810-6-3-.67 Sheriff's Purchases.

Purchases by a sheriff of food to be used in feeding prisoners is exempt from sales tax.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(11), 40-23-31.
History: Filed September 28, 1982.

810-6-3-.67.01 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.67.02 Ships, Sales Of.

(1) Vessels Over Five Tons

(a) The gross proceeds of the sale or sales of vessels, barges and commercial fishing vessels of over five tons load displacement are exempt from sales and use tax when sold by the manufacturer or builder thereof. (§§40-23-4(a)(12) and 40-23-62(17))

(b) The gross proceeds of the sale or sales of materials, equipment and machinery which, at any time, enter into and become a component part of ships, vessels, towing vessels or barges; or drilling ships, rigs or barges; or seismic or geophysical vessels; other watercraft or commercial fishing vessels of over five tons load displacement are exempt from sales or use tax regardless of where they are constructed or built. (§§40-23-4(a)(13) and 40-23-62(14))

(c) The Court of Civil Appeals in the case State of Alabama v. Springle Net Shop, Inc., 351 So. 2d 608 (1977), held that nets, trawl boards, cables, and related equipment sold to commercial fishing vessels become component parts of such commercial fishing vessels. Sales of the aforementioned items

to commercial fishing vessels of over five tons load displacement are exempt regardless of where the vessel was constructed or built. This exemption is not limited to new vessels but also applies to the replacement of the same items on the old vessels of over five tons load displacement.

(2) Other Commercial Fishing Vessels

(a) The gross proceeds of the sale or sales of commercial fishing vessels, machinery, or equipment, including attachments and parts, whose master or owners are regularly and exclusively engaged in commercial fishing, as defined by §40-23-1, are subject to the reduced sales and use tax rate of 1.5%.

1. Commercial fishing, pursuant to Code of Ala. 1975, §40-23-1, is the activity of catching or processing fish or other seafood regularly and exclusively as a means of livelihood by a holder of a commercial license issued pursuant to Chapter 12 of Title 9. This includes shellfish farmers, shrimpers, oysterers, lobsterers, and crabbers.

2. The commercial fisherman must present a copy of the commercial license issued under Chapter 12 of Title 9 at the time of purchase to receive the reduced sales and use tax rate of 1.5% on the purchase of a commercial fishing vessel, machinery, or equipment, including attachments and parts, used in the capture, attempted capture, or processing of fish or other seafood by means of commercial fishing.

Author: Dan DeVaughn and Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-1, 40-23-4, 40-23-31, 40-23-37, 40-23-63, 40-23-83.
History: Adopted June 12, 1978. Filed September 28, 1982. **Amended:** Filed January 19, 1988; May 6, 1992. **Amended:** Published August 30, 2024; effective October 14, 2024.

810-6-3-.67.03 Ships, Sales To.

(1) Sales and use taxes do not apply to the sale, storage, use, or consumption of fuel and supplies aboard ships, vessels, towing vessels, or barges, or drilling ships, rigs or barges, or seismic or geophysical vessels, or other watercraft engaged in foreign or international commerce or interstate commerce. (§§40-23-4(a)(10) and 40-23-62(12))

(2) The following guidelines shall be used in determining if a vessel is engaged in foreign, international, or interstate commerce:

(a) Vessels engaged in transporting cargo between Alabama ports and ports in foreign countries or possessions or territories of the United States or between Alabama ports and ports in other states are engaged in foreign, international, or interstate commerce. Engaging in foreign, international, or interstate commerce shall not require that the vessel involved deliver cargo to or receive cargo from an Alabama port.

(b) Vessels carrying passengers for hire, and no cargo, between Alabama ports and ports in foreign countries or possessions or territories of the United States or between Alabama ports and ports in other states shall be engaged in foreign, international, or interstate commerce, as the case may be, if, and only if,

(i) the vessel in question is a vessel of at least 100 gross tons and

(ii) the vessel in question has an unexpired certificate of inspection issued by the United States Coast Guard or by the proper foreign country for a foreign vessel, which certificate is recognized as acceptable under United States law.

(c) Seismic or geophysical vessels which are engaged either in seismic or geophysical tests or evaluations exclusively in offshore federal waters or in traveling to or from conducting such tests or evaluations shall be engaged in international or foreign commerce.

(d) Vessels which are engaged in foreign, international, or interstate commerce shall be deemed to remain in such commerce while awaiting or under repair in an Alabama port if such vessel returns after completion of the repairs to engaging in foreign, international, or interstate commerce. (§§40-23-4(a)(10), 40-23-62(12))

(3) The merchant or seller of fuel and supplies which qualify for the exemption outlined in (1) above may accomplish proof of the applicability of the exemption by securing the duly signed certificate of the vessel owner, operator, or captain, or their respective agent that the fuel and supplies purchased are for use or consumption aboard vessels engaged in foreign, international, or interstate commerce. Persons filing false certificates are liable to the Revenue Department for all taxes, together with penalties and interest thereon, levied on sales applicable to such false certificates. (§§40-23-4(a)(10), 40-23-62(12))

(4) The exemption outlined in (1) above does not apply to the sale of materials and supplies for use in fulfilling a contract for the painting, repairing or reconditioning of vessels, barges, ships, other watercraft or commercial fishing vessels of five tons load displacement or less, but does apply to the sale of materials and

supplies to any person for use in fulfilling a contract for the painting, repairing or reconditioning of vessels, barges, ships, other watercraft and commercial fishing vessels of over five tons load displacement.

(5) The gross proceeds of sales of fuel for use or consumption aboard commercial fishing vessels are exempt from sales and use tax. This exemption does not apply to supplies used or consumed aboard commercial fishing vessels. Commercial fishing vessels shall mean vessels which are regularly and exclusively engaged in the business of commercial fishing, shrimping, crabbing, oystering, or any other type of activity resulting in the gathering of fish or crustaceans for sale at wholesale or retail. (§§40-23-4(a)(27), 40-23-62(27))

(6) The gross proceeds of sales of fuel and supplies for use or consumption aboard boats, ships, or towing vessels when used exclusively in transporting persons or property between a point in Alabama and a point or points in offshore federal waters for the exploration for or production of oil, gas, sulphur, or other minerals in offshore federal waters are exempt from sales and use tax.

Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(a)(42), 40-23-31, 40-23-62(34), 40-23-83.
History: Adopted March 9, 1961. **Amended:** November 1, 1963; September 26, 1966; July 2, 1975; June 12, 1978. Filed September 28, 1982. **Amended:** Effective February 23, 1988; June 10, 1992.

810-6-3-.67.04 Certificate Of Exemption - Fuel And/Or Supplies Purchased For Use Or Consumption Aboard Vessels Engaged In Foreign Or International Commerce Or In Interstate Commerce.

(1) Whenever a merchant or seller makes a sale of fuel or supplies for use or consumption aboard vessels engaged in foreign or international commerce or in interstate commerce, any claim of exemption from Alabama sales or use tax on such sale because of such usage or consumption shall be supported by a certificate executed in the following form:

CERTIFICATE OF EXEMPTION - FUEL AND/OR SUPPLIES PURCHASED FOR USE OR CONSUMPTION ABOARD VESSELS ENGAGED IN FOREIGN OR INTERNATIONAL COMMERCE OR IN INTERSTATE COMMERCE.

PROPERTY PURCHASED:

INVOICE NO. **QUANTITY** **ITEM**

DESCRIPTION **AMOUNT**

_____ _____ _____

_____ _____

_____ _____ _____

_____ _____

_____ _____ _____

_____ _____

CERTIFICATE OF PURCHASER:

I, the undersigned vessel owner, operator, captain, or representative thereof, hereby certify the above described property is being purchased for use or consumption aboard vessels engaged in foreign or international commerce or in interstate commerce pursuant to the provisions of Code of Ala. 1975, §§40-23-4(a)(10) and 40-23-62(12).

I also certify I am aware that §§40-23-4(a)(10) and 40-23-62(12) provide that any person filing a false certificate shall be guilty of a misdemeanor and, upon their conviction, shall be fined not less than $25.00 nor more than $500.00. I further certify I am aware that any person filing a false certificate shall be liable to the Alabama Revenue Department for all taxes imposed upon the merchant or seller, together with any interest and penalties thereon, by reason of the sales of fuel and/or supplies applicable to such false certificate.

SIGNATURE:_____

PURCHASER'S BUSINESS ADDRESS:

TITLE:_____
_____

VESSEL:_____
_____

DATE:_____

CERTIFICATE OF MERCHANT OR SELLER:

I, the undersigned merchant or seller, hereby certify that the above described fuel and/or supplies are being sold exempt from sales or use tax for use or consumption aboard vessels engaged in foreign or international commerce or in interstate commerce and

that the above duly signed certificate of the purchaser was secured at the time of such sale.

SIGNATURE: _____

TITLE:_____

DATE:_____

(2) A merchant or seller who secures a properly completed and duly signed certificate in the form outlined in (1) above shall not be liable for Alabama sales or use tax on a sale later determined by the Revenue Department not to qualify for the exemption contained in Sections 40-23-4(a)(10) and 40-23-62(12) provided said merchant or seller had no knowledge that the certificate was false when filed with him by the purchaser. Instead, the person filing the false certificate shall be liable to the Revenue Department for all sales or use tax, together with any interest and penalties thereon, imposed on the sale of fuel and/or supplies applicable to the false certificate.
Author: Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-23-4(a)(10), 40-23-62(12), 40-23-31, 40-23-83.
History: Effective February 23, 1988. **Amended:** Filed February 20, 2015; effective March 27, 2015.

810-6-3-.68 Ships, Vessels And Barges - Fifty Tons Burden Definition And Method Of Determination (Repealed).
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed September 28, 1982. Repealed effective September 25, 1992.

810-6-3-.68.01 Load Displacement Of Vessels, Barges, Ships, Other Watercraft, And Commercial Fishing Vessels.

(1) The term "load displacement" as used in Code of Ala. 1975, Sections 40-23-2(1), 40-23-4(a)(10), 40-23-4(a)(12), 40-23-4(a)(13), 40-23-61(a), 40-23-62(12), 40-23-62(14), and 40-23-62(17), refers to the weight of the volume of water displaced by a vessel, barge, ship, or other watercraft, or commercial fishing vessel when fully loaded and shall be measured in long tons (1 ton = 2,240 lbs.).

(2) The load displacement measurement of vessels, barges, ships, other watercraft, and commercial fishing vessels as registered with the U. S. Coast Guard and licensed by the Alabama Department

of Conservation and Natural Resources will be valid for purposes of administering the sales and use tax provisions enumerated in paragraph (1).
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §40-23-31.
History: **New Rule:** Effective September 25, 1992.

810-6-3-.69 Stale Bread And Table Waste Sold For Consumption For Livestock (Repealed 7/9/98).

(Repealed)
Author: Patricia A. Estes
Statutory Authority: Code of Ala. 1975, §§40-23-4(5), 40-23-31, 40-23-83.
History: Filed September 28, 1982. **Repealed:** Filed June 4, 1998; effective July 9, 1998.

810-6-3-.69.01 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.69.02 Exemption For United States, State, County, City, And Other Exempt Entities From The Payment Of Sales Tax, And Purchases Made Through The Use Of Purchasing Agents.

(1) The United States Government, the State of Alabama, counties and incorporated municipalities of the state, and various other entities within the state are specifically exempt from paying sales and use tax on their purchases of tangible personal property. These exempt entities may appoint purchasing agents to act on their behalf for making tax-exempt purchases. In such situations the department will recognize that a agency relationship exists, provided that a written contract between the owner and the contractor-agent has been entered which clearly establishes that: (i) the appointment was made prior to the purchase of materials; (ii) the purchasing agent has the authority to bind the exempt entity contractually for the purchase of tangible personal property necessary to carry out the entity's contractual obligations; (iii) title to all materials and supplies purchased pursuant to such appointment shall immediately vest in the exempt entity at the point of delivery; and (iv) the agent is required to notify all vendors and suppliers of the agency relationship and make it clear to such vendors and suppliers that the obligation for payment is that of the exempt entity and not the contractor-agent. All purchase orders and remittance devices

furnished to the vendors shall clearly reflect the agency relationship. The tax-exempt entity may enjoy its tax-exempt status when utilizing a purchasing agent, provided that the purchase is paid for by the tax-exempt entity with funds belonging to the tax-exempt entity and the proper documentation as listed above exists to confirm the agency relationship. The appointment of the contractor as purchasing agent of the tax-exempt entity may be made by execution of the department Form ST:PAA-1, Purchasing Agent Appointment. (Sections 40-23-4(a)(11) and 40-23-62(13))

(2) A contractor is the consumer of all the materials which are used by the contractor in the performance of the construction contract and which become a part of real property. Accordingly, in the absence of an agency agreement as set forth in paragraph (1) above, purchases by a contractor or subcontractor of tangible personal property which it will use in the performance of a contract with the United States Government, the State of Alabama, county or incorporated municipality of the state, or an entity with a specific exemption, for making additions, alterations, or improvements to realty belonging to the government, state, county, municipality, or entity are not purchases by the government, state, county, municipality, or entity and do not qualify for the sales and use tax exemptions in Sections 40-23-4(a)(11) and 40-23-62(13). (Sections 40-23-1(a)(10) and 40-23-60(5))

(a) A contractor that sells building materials to a tax-exempt entity under one contract and affixes the materials to realty under a second contract with the tax-exempt entity is liable for sales or use tax; the fact that the materials are sold and installed under separate contracts does not qualify the contractor's purchase of the materials for the sales or use tax exemptions in Sections 40-23-4(a)(11) and 40-23-62(13). A contractor may not purchase materials tax exempt for resale to the tax-exempt entity and then affix the same materials to realty for the tax-exempt entity. (State v. Algernon Blair Industrial Contractors, Inc., 362 So.2d 248 (Ala. Civ. App. 1978), cert. denied 362 So.2d 253)

(b) A contractor may purchase items of tangible personal property tax-free when the items are purchased for resale to a tax-exempt governmental entity in the form of tangible personal property and are not affixed to realty by the contractor pursuant to a contract with the tax-exempt entity.

(3) On and after October 1, 2000, the sale to, or the storage, use, or consumption by, any contractor or subcontractor of any tangible personal property to be incorporated into realty pursuant to a contract with the State of Alabama or a county or incorporated municipality of the State of Alabama awarded prior to July 1, 2004, is exempt from state, county, and municipal sales and use taxes provided the contractor or subcontractor has complied with Rule 810-6-3-.77, entitled Exemption for Certain Purchases by Contractors and Subcontractors in conjunction with

Construction Contracts with Certain Governmental Entities, Public Corporations, and Educational Institutions. (Section 40-9-33)

(4) On and after July 1, 2004, the sale to, or the storage, use, or consumption by, any contractor or subcontractor of any tangible personal property to be incorporated into realty pursuant to a contract with the United States government, the State of Alabama or a county or incorporated municipality of the State of Alabama is subject to all state, county, and municipal sales and use taxes for any contract awarded, or any portion of a contract which is revised, renegotiated, or otherwise altered on and after July 1, 2004, to the extent that such revision, renegotiation, or alteration requires the purchase of additional tangible personal property. If the "change order" or other revision does not require the purchase of additional tangible personal property, however, the change will not cause the contract to lose its exempt status. Items purchased after June 30, 2004, pursuant to a contract awarded prior to July 1, 2004, will continue to be exempt for the remainder of the contract.
Author: Deborah Lee, Ginger L. Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-9-33, 40-23-1(a)(10), 40-23-4(a)(10), 40-23-4(a)(11), 40-23-31, 40-23-60(5), 40-23-63, 40-23-83, 40-23-62(13).
History: Filed September 28, 1982. **Amended:** Filed October 8, 1997; effective November 12, 1997. **Amended:** Filed February 20, 2001, effective March 27, 2001. **Amended:** Filed May 6, 2005; effective June 10, 2005. **Amended:** Filed December 1, 2009; effective January 5, 2010.

810-6-3-.70 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.71 Ties And Timbers - When Not Subject To Tax (Repealed 10/20/98).

(Repealed)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(17), 40-23-31, 40-23-83.
History: Filed September 28, 1982. **Repealed:** Filed September 15, 1998; effective October 20, 1998.

810-6-3-.72 Tung Meal.

When purchased for agricultural use as a soil conditioner or plant food, tung meal is exempt from sales and use tax pursuant to the fertilizer exemptions found in Sections 40-23-4(a)(2) and 40-23-62(5).
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Filed September 28, 1982. **Amended:** Effective March 24, 1993.

810-6-3-.72.01 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.72.02 United States, Sales To.

Where construction materials or other tangible personal property is ordered by, sold directly to, and paid for by the Federal Government, its departments, or its agencies, such sales are not subject to the Alabama sales tax. In such case the determining factors are whether or not the property is ordered and paid for by and delivered to the Federal Government, its departments, or its agencies. See also Rule 810-6-1-.45 entitled Contractors.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(17), 40-23-31, 40-23-83.
History: Filed September 28, 1982.

810-6-3-.72.03 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.72.04 (Reserved).
Author:
Statutory Authority:
History:

810-6-3-.72.05 Vitamins, Minerals, And Dietary Supplements.

Vitamins, minerals, and dietary supplements are exempt from sales and use tax when dispensed by prescription by physicians licensed to practice medicine, chiropractors, orthodontists, or podiatrists in the performance of their professional services. (Section 40-9-27, Code of Ala. 1975).
Author: Patricia A. Estes
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83, 40-9-27.
History: Effective October 8, 1985. **Amended:** Filed June 25, 1998; effective July 30, 1998.

810-6-3-.73 Warranty Parts - Manufacturer's Warranty.

When dealers or distributors use parts taken from stocks owned by them in making repairs without charge for such parts to the owner of the property repaired pursuant to warranty agreements entered into by manufacturers, such use does not constitute taxable sales to the manufacturers, distributors, or to the dealers.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: Adopted March 9, 1961. **Amended:** October 18, 1961. Filed September 28, 1982.

810-6-3-.74 Wrapping Paper, Poultry Processors (Repealed 7/30/98).

(Repealed)
Author: Patricia Estes
Statutory Authority: Code of Ala. 1975, §§40-23-4a(21), 40-23-31, 40-23-83.
History: Adopted November 1, 1963. **Amended:** July 27, 1964; June 12, 1978. Filed September 28, 1982. **Repealed:** Filed June 25, 1998; effective July 30, 1998.

810-6-3-.75 Septic Tanks.

(1) Septic tanks are pollution control devices and qualify for the pollution control exemption (AGO Baxley, June 1, 1978).

(2) Field lines and gravel, tile, or other materials on which field lines are placed, likewise, qualify for the pollution control exemption. (Section 40-23-4(16)

Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-4(16), 40-23-31, 40-23-83.
History: Effective July 7, 1989.

810-6-3-.76 **Property Purchased for Export and Sales Tax Refunds on Certain Purchases of Tangible Personal Property in Alabama for Export to and Use in a Foreign Country..**

(1) The definitions set forth in Code of Ala. 1975, Section 40-23-1(a), are incorporated herein by reference.

(2) Sales are not subject to Alabama sales tax when the sales agreement requires the seller or the seller's agent to deliver the purchased property to the Port of Mobile marked for export and, in fact, delivery is made to the Port of Mobile and the property is exported. (Sections 40-23-39. Juan Hernades, Carribean Shipping, Inc. V. State of Alabama (Admin. Law Div. Docket No. S. 05-708 Final Order entered December 7, 2005)

(3) Alabama sales tax applies to sales of tangible personal property when the purchaser or the purchaser's agent takes delivery in Alabama for subsequent export and use of that property in a foreign country unless the following criteria are met:

(a) the purchaser’s records reflect that it was the intent of the purchaser to use the property in a foreign country at the time of purchase and that, in fact, the property was exported from Alabama, and when ocean transportation is required and scheduled service to the desired port overseas is available through the port of Mobile, the Port of Mobile is used for shipment, and

(b) the purchaser provides to the vendor a duly executed Certificate of Exemption – Merchandise Purchased for Export to a Foreign Country (Form STE-4)

(4) Purchasers who are entitled to make qualifying purchases at wholesale, tax free, shall obtain a sales and use tax Certificate of Exemption – Merchandise Purchased for Export to a Foreign Country (Form STE-4), by making application on a form provided by the Department. When the properly completed application is received and approved by the Department, the applicant will be issued a state sales and use tax Certificate of Exemption – Merchandise Purchased for Export to a Foreign Country (Form STE-4), which may be copied, completed, and provided to vendors as documentation for tax-exempt purchases for export. The Form STE-4 may be used only by the person to whom it is issued.

(a) Certificate holders regularly engaged in making tax-exempt purchases of the kind and nature for which the Form STE-4 has been issued may furnish a properly executed certificate to the seller specifying that all tangible personal property subsequently purchased will be for the purpose shown on the certificate and thus be relieved of the burden of executing a separate certificate for each individual tax-exempt purchase as long as there is no change in the character of their operations and the purchaser's intent is to export the tangible personal property being purchased.

(b) Certificate holders must maintain a list of all vendors to whom they furnish a copy of their exemption certificate. This list should be retained in their records available for inspection by the Department during regular business hours and should provide the name, address, and type of business of each vendor to whom a copy of the certificate has been furnished.

(c) Certificate holders must return their certificate to the Department if the business ceases export activity.

(d) Certificate holders must notify the Department immediately in writing of any change in name or address.

(e) The burden of proof that a sale is exempt is upon the person making the sale unless the seller takes from the purchaser a properly executed Form STE-4. Any such sale for which an exemption has been claimed but which is not supported by a Form STE-4 may be deemed a sale at retail by the Department and the seller held liable for the tax thereon.

(f) Any person selling tangible personal property tax free who relies on a properly executed Form STE-4 shall not be held liable for sales or use tax subsequently determined by the Department to be due on the sale for which the certificate was received. Instead, the Department will assess and collect the tax, along with applicable penalties and interest from the parties who made the illegal tax-free purchase with the Form STE-4 and the person or persons who benefited from the illegal use of the Form STE-4. (Sections 40-23-120 and 40-23-121)

(g) The state sales and use tax certificate of exemption for property purchased for export (Form STE-4) is the only exemption certificate or exemption number which relieves the seller, when acting in good faith and exercising reasonable care, of liability for any sales or use tax later determined by the Department to be due on a sale for which an exemption for export was originally claimed. (Section 40-23-39(a))

(5) With respect to purchases which qualify for the exemption outlined in paragraph (3), in the absence of the purchaser providing the properly executed Form STE-4, the seller at retail must collect and remit sales tax to the Department and then, when

the purchaser documents to the Department that the purchases qualify for the exemption, the purchaser may obtain a refund of the sales tax paid thereon.

(6) Refunds of sales taxes made pursuant to paragraphs (3) and (5) shall be made in accordance with the procedures outlined in Section 40-2A-7(c), Code of Ala. 1975.

(7) The purchase of a new truck with a gross weight not exceeding 8,000 pounds or a new passenger vehicle by a nonresident of the United States is exempt from sales or use tax when (i) the truck or passenger vehicle is manufactured in Alabama, (ii) the truck or passenger vehicle is delivered to the purchaser in Alabama by the manufacturer or an affiliated corporation, (iii) at the time of purchase the purchaser intends to export the truck or passenger vehicle to and permanently license the truck or passenger vehicle in a foreign country within 90 days after the date of delivery, and (iv) the purchaser obtains a temporary metal license plate and a temporary registration certificate from the probate judge or license commissioner of the county in which the manufacturer is located.
Author: Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-4(a)(17), 40-23-31, 40-23-39, 40-23-69(2), 40-23-83.
History: **New Rule:** Filed October 1, 1996; effective November 5, 1996. **Amended:** Filed February 3, 1998; effective March 10, 1998. **Amended:** Filed August 5, 2005; effective September 19, 2005. **Amended:** Filed July 17, 2015; effective August 21, 2015. **Amended:** Published August 29, 2025; effective October 13, 2025.

810-6-3-.77 Exemption For Certain Purchases By Contractors And Subcontractors In Conjunction With Construction Contracts With Certain Governmental Entities And Statutorily Exempt Entities.

(1) On and after January 1, 2014, the sale to, or the storage, use, or consumption by, any contractor or subcontractor of any tangible personal property to be incorporated into realty pursuant to a contract entered into on or after January 1, 2014, with a governmental entity is exempt from all state, county, and municipal sales and use taxes.

For this rule, a governmental entity is defined as:

(a) The State of Alabama.

(b) A county or incorporated municipality of the State of Alabama.

(c) An educational institution of the State of Alabama, or a county or incorporated municipality of the State of Alabama.

(d) An industrial or economic development board or authority that is exempt from the payment of Alabama sales and use taxes.

(e) Other governmental entities that are exempt from the payment of Alabama sales and use taxes.

(f) On or after January 1, 2019, the term governmental entity includes any public water or sewer authority, district, system, or board that otherwise is exempt from sales and use tax. The sale to, or the storage, use, or consumption by, any contractor or subcontractor of any tangible personal property to be incorporated into realty pursuant to a contract entered into on or after January 1, 2019, with any public water or sewer authority, district, system, or board that otherwise is exempt from sales and use tax is exempt from all state, county, and municipal sales and use taxes.

(g) On or after January 1, 2020, the term governmental entity includes any airport authority established pursuant to Chapter 3 of Title 4 of the Code of Ala. 1975, that otherwise is exempt from sales and use tax. The sale to, or the storage, use or consumption by, any contractor or subcontractor of any tangible personal property to be incorporated into realty pursuant to a contract entered into on or after January 1, 2022, with an airport authority that otherwise is exempt from sales and use tax is exempt from all state, county, and municipal sales and use taxes.

(h) On or after January 1, 2022, the purchase of construction materials for use on construction projects for governmental entities; to include any contract for the construction of highways, roads, or bridge projects is exempt from all state, county, and municipal sales and use taxes.

(i) On or after April 14, 2022, the term governmental entity includes an agricultural authority, established pursuant to Chapter 20 of Title 11 of the Code of Ala. 1975, that otherwise is exempt from sales and use tax. The sale to, or the storage, use, or consumption by, any contractor or subcontractor of any tangible personal property to be incorporated into realty pursuant to a contract entered into on or after April 14, 2022, with an agricultural authority that otherwise is exempt from sales and use tax is exempt from all state, county, and municipal sales and use taxes.

(2) **Governmental Entity-Purchases Not Exempt**. The exemptions outlined in section (1) do not apply to any of the following:

(a) Purchases of tangible personal property by a contractor or subcontractor for storage, use, or consumption in conjunction with performing a contract with a governmental entity that is not itself exempt from Alabama sales and use taxes.

(b) Purchases of tangible personal property by a contractor or subcontractor that are not incorporated into realty pursuant to the contract.

(c) Purchases of tangible personal property for contracts with the federal government.

(d) Purchases of tangible personal property made pursuant to any contract entered into prior to applicable dates in section (1).

(3) **Exclusion from Governmental Entity Exemption**. The exemption outlined in section (1) does not apply to the sale to, or the storage, use, or consumption by, any contractor or subcontractor of any tangible personal property purchased pursuant to a contract with a state other than the State of Alabama, a county or incorporated municipality of a state other than the State of Alabama, an industrial development board created pursuant to the Constitution or general or local laws of a state other than the State of Alabama, an educational institution of a state other than the State of Alabama, or an educational institution of a county or incorporated municipality of a state other than the State of Alabama.

(4) On or after January 1, 2024, the sale to, or the storage, use, or consumption by, any contractor or subcontractor of any tangible personal property to be incorporated into realty pursuant to a contract entered into on or after January 1, 2024, with a Statutorily Exempt Entity is exempt from all state, county, and municipal sales and use taxes.

For this rule, a statutorily exempt entity is defined as:

(a) Any person or company, as those terms are defined under §40-23-1, Code of Ala. 1975, that has been granted a statutory exemption from the payment of Alabama sales and use taxes.

(b) Any person or company listed in Article 1, Chapter 9 of Title 40, Code of Ala. 1975.

(c) Any person or company which the state is prohibited from taxing under the Constitution or laws of the United States or under the Alabama Constitution.

(5) Statutorily Exempt Entity - Purchases Not Exempt. The exemptions outlined in section (4) do not apply to any of the following:

(a) Purchases of tangible personal property by a contractor or subcontractor that are not incorporated into realty pursuant to the contract.

(b) Purchases of tangible personal property made pursuant to any contract entered into prior to January 1, 2024.

(6) **Application Requirements**.

(a) Contractors and subcontractors licensed by the State Licensing Board for General Contractors, must apply per project to the department for a sales and use tax certificate of exemption. Upon application, the contractor and subcontractor must provide the department with an estimated amount of tax exempt purchases to be made for the project. Upon review and approval of the application, the department shall issue the applicant a certificate of exemption, which shall be used by the certificate holder to claim the exemption when making qualifying tax-exempt purchases for the project listed on the certificate. Certificates of exemption will be issued as of the project start date or the received date of the application. The effective date of the certificate of exemption will be no earlier than the date the application is submitted to the department. Before approving or denying the application, the department may require the applicant to submit additional documentation.

(b) Effective January 1, 2024, or the effective date of this rule, whichever is later, contractors and subcontractors must apply electronically for each project.

(c) If the department denies the application, the applicant may appeal the denial in accordance with §40-2A-8, Code of Ala. 1975.

(7) **Record Retention Requirement**.

(a) A contractor or subcontractor who obtains a certificate of exemption must comply with all of the provisions of §40-23-9, Code of Ala. 1975, and must maintain records sufficient to document the tax-exempt status of qualifying purchases.

(b) Upon renewal of the certificate of exemption, the contractor or subcontractor shall verify the tax exempt purchases made for the project in the previous year.

(8) **Violation Penalties**. Any contractor or subcontractor who intentionally uses a certificate of exemption in violation of §40-9-14.1 or §40-9-14.3, Code of Ala. 1975, will be:

(a) Liable for the actual sales and use tax due.

(b) Subject to a civil penalty levied by the department in the amount of not less than a minimum of two thousand dollars ($2,000) or two times any state and local sales or use tax due for the tangible personal property, whichever is the greater.

(c) May be barred from the use of any certificate of exemption on any project for up to two years based on the contractor's or subcontractor's willful misuse of a certificate of exemption. Contractors and subcontractors may appeal any such decisions in accordance with §40-2A-8, Code of Ala. 1975.

(9) **Determination of Qualification According to Date**.

(a) The date of the sale to, or the purchase, withdrawal, storage, use or consumption by, the contractor must be used to determine if an otherwise qualifying transaction or event qualifies for the exemption. Jobs or projects entered into prior to the applicable dates noted in sections (1) and(4) do not qualify for the exemption regardless of the transaction date.

(b) For the purpose of this rule, the term "entered into" means the date that a contractor or subcontractor signs a contract with a governmental entity defined in section (1)or a statutorily exempt entity as defined in section (4).

Author: Michelle Mayberry, Traci Floyd, Ginger L. Buchanan, Lee Ann Rouse, Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§11-20-81, 40-2A-7(a)(5), 40-2A-8, 40-9-14.1, 40-9-14.3, 40-23-1, 40-23-4, 40-23-9, 40-23-31, 40-23-83.
History: **New Rule:** Filed February 20, 2001; effective March 27, 2001. **Amended:** Filed May 6, 2005; effective June 10, 2005. **Amended:** Filed November 20, 2013; effective December 25, 2013. **Amended:** Filed January 11, 2019; effective February 25, 2019. **Amended:** Published December 30, 2021; effective February 13, 2022. **Amended:** Published September 30, 2022; effective November 14, 2022. **Amended:** Published December 29, 2023; effective February 12, 2024.

810-6-3-.78 Sales Of Aircraft Manufactured, Sold and Delivered In Alabama.

(1) In accordance with Section 40-23-4(a)(37), Code of Ala. 1975, sales of aircraft manufactured, sold and delivered in Alabama that are not permanently domiciled in Alabama and are removed from Alabama are not subject to Alabama sales tax.

(2) An aircraft manufactured, sold and delivered in Alabama shall be considered not permanently domiciled in Alabama if either of the following non-exclusive conditions is true:

(a) The hanger, airstrip, or other housing unit which the aircraft is intended to leave from and return to in the regular course of use is located outside of Alabama, or

(b) The buyer is an air carrier, foreign air carrier or intrastate air carrier, as defined by Section 40101 of Title 49 of the United States Code, 49 USC, Section 40101, and operating pursuant to Part 121 or Part 129, or conducting scheduled or unscheduled services pursuant to Part 135; and the buyer's headquarters is not in Alabama on the date of purchase of the aircraft.

(3) An aircraft manufactured, sold and delivered in Alabama shall be considered removed from Alabama if the first flight of the aircraft after delivery, excluding any intrastate flights for post-delivery maintenance or modification work or for training in Alabama, is planned for a destination outside of Alabama, provided that the foregoing is not the exclusive method for showing removal of an aircraft from Alabama.

Author: Rouen Reynolds
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-4(a)(37),
History: **New Rule:** Filed July 17, 2015; effective August 21, 2015.

810-6-3-A **Appendix A.**

Appendix A
Attachment to Rule 810-6-3-.03-.02

ALABAMA DEPARTMENT OF REVENUE
SALES, USE & BUSINESS TAX DIVISION
SALES TAX SECTION
P.O. Box 327710 • Montgomery, AL 36132-7710

ST: EX-1 12/04

IMPORTANT
Exemption will be disallowed if complete and correct information is not furnished.

Certificate of Exemption – Out of State/City/County Delivery

Required by the Provisions of Sales and Use Tax Rule 810-6-3-.03.02

SALES TAX REGISTRATION NUMBER	INVOICE NUMBER	DATE OF SALE

SELLER

SELLER'S ADDRESS CITY STATE ZIP

BUYER

BUYER'S ADDRESS CITY STATE ZIP

DESCRIPTION OF THE AUTOMOBILE, OTHER MOTOR VEHICLE, OR TRAILER

MAKE	MODEL	YEAR

VIN (VEHICLE IDENTIFICATION NUMBER) ☐ New ☐ Used

TOTAL SALES PRICE	TRADE-IN ALLOWANCE	NET AMOUNT PAID	WILL BE TITLED IN OR REGISTERED IN WHAT STATE
$	$	$	

OATH

We, the undersigned seller and buyer, or representative thereof, being duly sworn according to law, hereby certify that the above described tangible personal property has been sold and will be delivered in interstate/intrastate commerce as indicated herein, and that the information contained herein is true and correct.

SELLER'S SIGNATURE BUYER'S SIGNATURE

SELLER'S PRINTED NAME BUYER'S PRINTED NAME

This certificate must be executed by the seller and buyer at the time of the sale of the vehicle or trailer.

CERTIFICATE OF OUT OF STATE/CITY/COUNTY DELIVERY

State of _____ County of _____

I, _____, being duly sworn according to law, depose and say that I have personally delivered the automobile, other motor vehicle, or trailer described above outside _____ (CITY / COUNTY / STATE) to _____ (NAME) At _____ (PLACE OF DELIVERY (CITY/COUNTY/STATE)) On _____ (DATE)

Check the status of the person making the delivery: ☐ Seller ☐ Employee of Seller

SIGNED

INSTRUCTIONS: The Certificate of Exemption — Out of State/City/County Delivery must be prepared by the seller and buyer at the time of the sale of the vehicle or trailer. The Certificate of Out of State/City/County Delivery must be executed by the person actually making delivery of the motor vehicle or trailer within two days of the time of delivery. The original affidavits, fully completed, must be kept with the seller's copy of the invoice.

Author: Donna Joyner
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-2(4), 40-23-4(a)(17), 40-23-31.

History: Amended Form: Filed June 2, 2006; effective July 7, 2006

Appendix A

Attachment to Rule 810-6-3-.69.02

ALABAMA DEPARTMENT OF REVENUE
SALES, USE & BUSINESS TAX DIVISION

ST: PAA1
11/09

Purchasing Agent Appointment

PURCHASING AGENT APPOINTMENT

Name and Address of Agent	Name and Address of Governmental Entity or Exempt Organization
NAME	NAME
MAILING ADDRESS	MAILING ADDRESS
CITY STATE ZIP CODE	CITY STATE ZIP CODE
PHYSICAL ADDRESS	PHYSICAL ADDRESS
CITY STATE ZIP CODE	CITY STATE ZIP CODE
	ALABAMA EXEMPTION (NUMBER, ACT, LAW, ETC.)
Name and Location of Project	**Appointment Information**
NAME	EFFECTIVE DATE
PHYSICAL ADDRESS	Agency appointment will expire on the date of completion of the project.
CITY STATE ZIP CODE	SCHEDULED DATE OF COMPLETION:
IDENTIFY PROJECT	

The undersigned governmental entity or exempt organization ("tax-exempt entity") hereby appoints the above-named person or company as its agent to (check the applicable box):

☐ order materials that will be incorporated into the real estate constituting the construction project identified above; or

☐ order and pay for materials that will be incorporated into the real estate constituting the construction project identified above with funds belonging to the tax-exempt entity.

As agent of the tax-exempt entity, the person or company named above (check the applicable box):

☐ is authorized to appoint subagents of the tax-exempt entity to order materials that will be incorporated into the real estate constituting the project; or

☐ is not authorized to appoint subagents of the tax-exempt entity.

By signing this appointment we acknowledge that: the appointment applies only to the purchase of materials after the effective date hereof (which cannot be prior to the date the appointment is signed); the agent has the authority to bind the tax-exempt entity contractually for the purchase of tangible personal property that will be incorporated into the real estate constituting the construction project identified above; payment for the purchases made pursuant to such appointment must be made with funds belonging to the tax-exempt entity; and the agent is required to notify all vendors and suppliers from which tax-exempt purchases are to be made of the agency relationship and that the obligation for payment is that of the tax-exempt entity and not the agent. All purchase orders and remittance devices furnished to these vendors/suppliers shall clearly reflect the agency relationship. The vendor or supplier may rely on the tax-exempt status of purchases made on behalf of the tax-exempt entity by the duly appointed purchasing agent, provided that the criteria in Alabama Department of Revenue Rule 810-6-3-.69.02 and in the attached instructions are followed and the proper documentation exists to confirm compliance with these instructions.

Sign Here _____
AUTHORIZED REPRESENTATIVE OF THE GOVERNMENTAL ENTITY OR EXEMPT ORGANIZATION — TITLE — DATE

Print Name _____

APPOINTMENT OF SUBAGENT

Name and Address of Subagent (Subcontractor)	Appointment Information
NAME	EFFECTIVE DATE
STREET OR OTHER MAILING ADDRESS	Subagency appointment will expire on the date the subagent completes work on the project by fulfilling the contractual obligation to perform.
CITY STATE ZIP CODE	SCHEDULED DATE OF COMPLETION:
SCOPE OF WORK TO BE PERFORMED BY SUBAGENT	

The undersigned agent (contractor) hereby appoints the subagent (subcontractor) to act as a purchasing agent of the tax-exempt entity to order, but not to pay for, materials that will be incorporated into the real estate constituting the construction project identified above. In making purchases for the project, the subagent must comply with Alabama Department of Revenue Rule 810-6-3-.69.02 and the attached instructions.

Sign Here _____
AUTHORIZED REPRESENTATIVE OF AGENT (CONTRACTOR) — TITLE — DATE

Print Name _____

Instructions For Preparation of Form ST: PAA1 Purchasing Agent Appointment

The United States Government, the State of Alabama, counties and incorporated municipalities of the state, and various other entities within the state are specifically exempt from paying state and local sales and use tax on their purchases of tangible personal property. These tax-exempt entities cannot transfer their exempt status to a contractor or developer who is required to purchase and pay for the materials that are to be used pursuant to a construction contract with the tax-exempt entity. However, a tax-exempt entity may appoint as its agent a contractor to act on its behalf to order materials or to order and pay for materials that will be incorporated into real estate pursuant to a construction contract with the tax-exempt entity. Purchases made by the agent on behalf of the tax-exempt entity will be exempt from the payment of state and local sales or use tax provided that the procedures outlined in Alabama Department of Revenue Rule 810-6-3-.69.02 are followed. These procedures include the provisions below. *(**Note:** This form should not be used to purchase materials for a project that has been granted abatement pursuant to the Tax Incentive Reform Act of 1992, Chapter 9B of Title 40, Code of Alabama 1975, as amended, or for the exemption available to contractors for the purchase of building materials for construction projects with health care authorities organized under Article 11 of Chapter 21 of Title 22 or Chapter 62 of Title 11. Tax-exempt purchases of materials for these types of projects must be made in accordance with the provisions of the applicable sections of the Code of Alabama 1975, as amended, and ADOR Rules.)*

The appointment of the contractor as purchasing agent of the tax-exempt entity must be made in writing and may, but is not required to, take the form of a completed Purchasing Agent Appointment, Form ST: PAA-1. The appointment must be made prior to the contractor's purchase of materials that are claimed to be tax-exempt. In the absence of a written appointment the contractor must pay the sales and use taxes otherwise due. A contractor may not purchase materials, incorporate them into realty prior to obtaining a properly completed and signed Form ST: PAA-1, or other written appointment, and later claim an agency relationship and petition for a refund of sales and use tax paid on the materials. The Form ST: PAA-1 can only be used to appoint the contractor to purchase on behalf of the tax-exempt entity materials that will be incorporated into the real estate constituting the project. However, execution of the Form ST: PAA-1 does not preclude a separate written appointment of the contractor as agent of the tax-exempt entity to purchase other tangible personal property.

Purchases made by the purchasing agent on behalf of the tax-exempt entity are exempt from the payment of sales and use taxes, provided that funds belonging to the tax-exempt entity are directly obligated and payment is made with funds belonging to the tax-exempt entity. When the contractor is also appointed as agent to pay for the materials on behalf of the tax-exempt entity, payment must be made from an account designated for this specific purpose and funded by the tax-exempt entity. It is permissible to use a trust account for multiple projects, provided that the account is funded by the tax-exempt entities and records are maintained to document the source of funds for each project. The contractor may not commingle its own funds with the funds in the account. The contractor may not deposit its own money into the account. The contractor may not pay for materials with its own funds and receive reimbursement from the account.

PENALTY. Any person who makes unauthorized use of this document with the intent to evade payment of tax is liable for any sales and use taxes that may be due, together with interest, and may be assessed additional penalties as provided in Section 40-2A-11, Code of Alabama 1975, as amended.

APPOINTMENT INFORMATION. All information requested on the attached Purchasing Agent Appointment, Form ST: PAA-1, must be provided, including by attachments to the form. The project name, location, and description must be included. Tax-exempt organizations must provide their Alabama Sales and Use Tax Certificate of Exemption number, Legislative Act number, or state law by which they are exempt from sales and use tax. The form or other written appointment document must reflect the date the appointment will become effective, which cannot be prior to the date the document is signed. The agency appointment will expire on the date of completion of the project. The scheduled date of completion must be reflected on the appointment document. However, the scheduled date of completion may be extended by approval of the tax-exempt entity when it is determined that the project will not be completed by that date. The agent shall not make any purchases without payment of sales or use taxes under the authority of this appointment before the effective date or after the date of completion of the project. This Purchasing Agent Appointment must be signed by an officer or duly-authorized representative of the tax-exempt entity. The signed original document must be retained by the contractor, and a copy should be retained by the tax-exempt entity. In a subsequent audit, to substantiate the contractor's appointment as agent to purchase on behalf of the tax-exempt entity, the contractor will be required to provide to the auditor upon request a copy of the executed appointment document.

AGENT'S APPOINTMENT OF ONE OR MORE SUBAGENTS. When authorized by the tax-exempt entity, the agent (contractor) may appoint one or more subagents (subcontractors) to act as the purchasing agent of the tax-exempt entity to order, but not to pay for, materials that will be incorporated into the project. For each subagent appointed, the agent (contractor) must document the appointment by completing the section provided on a copy of Form ST: PAA-1, or otherwise document the appointment in writing. The document must include the date the appointment of the subagent will become effective, which cannot be prior to the date the contractor signs the document appointing the subagent. The subagency appointment will expire on the date the subagent's work on the project is completed. The scheduled date of completion of the subagent's work on the project must be reflected on the appointment document. However, the scheduled date of completion may be extended by the contractor (agent) when it is determined that the subcontractor's work on the project will not be completed by that date. The subagent (subcontractor) shall not make any purchases without payment of sales or use taxes under the authority of this appointment before the effective date or after the date the subagent's work on the project is completed. A description of the work to be performed by the subagent must be included. For each subagent appointed, the Appointment of Subagent form or other writing must be signed by the agent (owner, partner, member, corporate officer, or other individual authorized to sign the document). The signed document must be retained by the subagent (subcontractor). A copy of the document must be provided to the tax-exempt entity for their records and a copy must be retained by the agent (contractor). A subagent's purchase of materials on behalf of the tax-exempt entity is exempt from the payment of state and local sales and use taxes provided that the criteria set out above and in ADOR Rule 810-6-3-.69.02 are followed. In a subsequent audit, to substantiate the subcontractor's appointment as agent to purchase on behalf of the tax-exempt entity, the subcontractor will be required to provide to the auditor upon request a copy of the executed subagent appointment document.

Author: Deborah Lee, Ginger L. Buchanan

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-9-33, 40-23-1(a)(10), 40-23-4(a)(10), 40-23-4(a)(11), 40-23-31, 40-23-60(5), 40-23-63, 40-23-83, 40-23-62(13).
History: New Appendix: Filed December 1, 2009; effective January 5, 2010.