ALABAMA DEPARTMENT OF REVENUE
SALES, USE & BUSINESS TAX DIVISION
ADMINISTRATIVE CODE

CHAPTER 810-6-5
USE TAX LAW; CONTRACTORS GROSS RECEIPTS TAX; LODGINGS TAX; RENTAL TAX; UTILITY TAXES; MISCELLANEOUS RULES

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810-6-5-.01 Closure, Denial, Revocation, Or Suspension Of Accounts.

(1) Pursuant to §40-23-6.1, Code of Ala. 1975, the commissioner may, subject to the appeal provisions allowed in Chapter 2A of Title 40, suspend or revoke a license, or deny a license application or renewal, issued under §§40-12-221, 40-23-6, or 40-23-66 for reasonable cause. Reasonable cause includes but is not limited to:

(a) The taxpayer pleads guilty to fraud or is found guilty of fraud in taxes due to be reported for the licenses.

(b) The department determines that there is any material misstatement which, if accurately represented on the license application, would have resulted in the department's determination that the applicant was not engaged or continuing in the business for which a license would be issued pursuant to §§ 40-23-6, 40-23-66, and 40-12-221, Code of Ala. 1975.

(c) The taxpayer fails to notify the department within a reasonable amount of time that the business the license is issued to fails to begin or ceases to open.

(d) The taxpayer fails to notify the department of changes of conditions in ownership or business structure after a license is granted. Any changes of conditions in ownership or business structure requires a new license application.

(e) The taxpayer fails to comply with the provisions of Chapter 12 and Chapter 23 of Title 40, or any rule promulgated.

(f) The taxpayer fails to provide or maintain a surety bond as required in §40-23-6, Code of Ala. 1975.

(2) For any application, account, or license that is denied, closed, suspended, or revoked, the department will notify the taxpayer in writing by first-class U.S. mail to the taxpayer's last known address and provide appeal rights in accordance with §40-2A-8, Code of Ala. 1975.
Author: Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-12-221, 40-23-6; 40-23-6.1, 40-23-66; Act 2019-253.
History: New Rule: Published October 31, 2019; effective December 15, 2019.

810-6-5-.01.01 Renewal Of An Annual License.

(1) Certain entities engaging in and conducting business under Title 40, Chapters 12 and 23, are required to maintain an annual license for the current tax year pursuant to §§40-12-221, 40-23-6, and 40-23-66, Code of Ala. 1975.

(2) **Verification of Information.** The licensed account holder, on or before the expiration date on the annual license, must verify the accuracy of the licensed account information through the department's filing system including but not limited to the following:

(a) Current legal name.

(b) Owner/officer/member information.

(c) Owner/officer/member information.

(d) Location address(es) including DBA's for each.

(3) **Extension for Verification**. An extension of time for complying with the requirements of paragraph (2) may be granted by the department for reasonable cause, as provided in rule 810-14-1-.33.01, not to exceed 60 days past the expiration date on the annual license.

(4) **Issuance of Annual License**. Upon meeting the requirements of this rule, and, if applicable, the bond requirements of §40-23-6, Code of Ala. 1975, the annual license shall be renewed and reissued unless the department determines that the renewal and reissuance falls under the provisions of rule 810-6-5-.01, Closure, Denial, Revocation, or Suspension of Accounts.

(5) **Expiration of Annual License**. Failure to comply with the requirements of this rule shall result in the expiration of the annual license. No tax-exempt transactions may be conducted with an expired annual license.
Author: Ginger Buchanan, Lee Ann Rouse
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-12-221, 40-23-6; 40-23-6.1, 40-23-31, 40-23-66, 40-23-83, 40-23-260; Administrative Rules 810-14-1-.33.01, 810-6-5-.01.
History: New Rule: Published December 31, 2019; effective February 14, 2020.

810-6-5-.02 State Sales And Use Tax Certificate Of Exemption (Form STE-1) - Issued For Wholesalers, Manufacturers And Other Product Based Exemptions.

(1) The term "Department" as used in this regulation shall mean the Department of Revenue of the State of Alabama.

(2) Persons, firms, and corporations who are not required to have a sales tax license pursuant to §40-23-6, Code of Ala. 1975, and who are entitled to make certain purchases at wholesale, tax free, may obtain a sales and use tax certificate of exemption by applying for same on a form provided by the Department. Upon receipt of a properly completed application and approval of same by the Department, the applicant will be issued a state sales and use tax certificate of exemption (Form STE-1) which can be copied, completed, and provided to vendors as documentation for tax exempt purchases. A Form STE-1 will not be issued to persons, firms, or corporations who have a sales tax license issued pursuant to §40-23-6, Code of Ala. 1975, or who do not have a place of business within the State of Alabama.

(3) Persons or companies, including but not limited to those cited in Title 40, Chapter 9, other than governmental entities, which have a statutory exemption from the payment of Alabama sales, use, or lodgings taxes, shall be required to obtain a sales and use tax certificate of exemption to be renewed on an annual basis by applying for same on a form provided by the Department. Please see Sales and Use Tax Rule 810-6-5-.02.01, entitled State Sales and Use Tax Certificate of Exemption for Entities Having a Statutory Exemption from the Payment of Sales, Use, and Lodgings Taxes, for additional information.

(4) An application for a sales and use tax certificate of exemption shall require the following information:

(a) Applicant's Federal Employer Identification Number,

(b) Applicant's business telephone number,

(c) Applicant's legal name, trade name, and complete mailing address,

(d) Number of businesses in Alabama and exact location of each (exact location shall include city, county, and street address; if location is on highway or rural route, exact location shall include details sufficient to allow Department personnel to find the place of business),

(e) Indication of the kind and class of business (i.e. wholesaler, manufacturer, etc.),

(f) Type of products manufactured or sold,

(g) Reason the exemption is claimed,

(h) Indication of the legal form of ownership (sole proprietorship, partnership, corporation, LLC, etc.),

(i) Copy of certificate of incorporation or articles of incorporation, if applicable,

(j) Name, title, home address, and social security number of sole proprietor, each partner, or each corporate officer, and

(k) Signature of sole proprietor, each partner, or an elected corporate officer.

(5) The Department, upon approving an application for a sales and use tax certificate of exemption, will provide the applicant with a Form STE-1 containing the following information:

(a) Certificate holder's exemption number,

(b) Restrictions, if any, to the scope of the certificate holder's exempt status,

(c) Nature of the certificate holder's business,

(d) Statement of the duties and responsibilities of the vendor to whom a certificate is provided by the holder,

(e) Statement, to be declared by the certificate holder under penalties of false swearing, as to the validity of the exemption claim,

(f) Certificate holder's name and address,

(g) Date of approval or issuance by the Department, and

(h) Signature of approval by the Department

(6) At the time of providing a copy of a Form STE-1 to a vendor from whom a tax-exempt purchase is being made, the following information shall be provided by the certificate holder on the certificate copy which the holder gives to the vendor:

(a) Name and address of the vendor to whom the certificate copy is provided,

(b) Date of the certificate is provided,

(c) Basis for the certificate holder's exemption claim, and

(d) Certificate holder's signature and title.

(7) Certificate holders regularly engaged in making tax exempt purchases of the kind and nature for which the Form STE-1 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 tangible personal property purchased is of the kind usually purchased for the purpose indicated.

(8) 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.

(9) Certificate holders must return their certificate to the Department if the business for which the certificate was issued is

closed or if they engage in retail sales for which a sales tax license is required.

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

(11) Sales of tangible personal property to any person, firm, or corporation not required to have a sales tax license are subject to sales or use tax until the contrary is established. 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-1. Any such sale for which an exemption has been claimed but which is not supported by a Form STE-1 may be deemed a sale at retail by the Department and the seller held liable for the tax thereon.

(12) Any person, firm, or corporation selling tangible personal property tax free who relies on a Form STE-1 and reasonably believes the tax exemption claim is legal 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 collect or recover the tax due from the party or parties who made the illegal tax-free purchase with the Form STE-1 and the person or persons who benefited from the illegal use of the Form STE-1. (Sections 40-23-120 and 40-23-121)

(13) With the exception of the certificates which are provided for in Sections 40-23-4(a)(10), 40-23-62(12), and 40-23-4.3, Code of Ala. 1975, Form STC-1 provided for in Sales and Use Tax Rule 810-6-3-.77, and Form STE-2 provided for in Sales and Use Tax Rule 810-6-4-.24.01 pursuant to Section 40-23-120, the state sales and use tax certificate of exemption (Form STE-1) 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 was originally claimed.

(14) Section 40-23-121 authorizes the Department to use its powers and responsibilities in accordance with the general laws of this state to effect collection of any tax due from a purchaser resulting from the purchaser's unauthorized use of a state sales and use tax certificate of exemption (Form STE-1). This act will be enforced by the Department in the same manner as the state Sales or Use Tax Law, as the case may be, is enforced, including but not limited to the power to examine purchasers' records; assess tax, penalty, and interest; and file tax liens.
Author: Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-82.
History: Adopted July 6, 1977. **Amended:** November 3, 1980, readopted through APA effective October 1, 1982. **Amended:** Filed December 22, 1989; effective January 29, 1990. **Amended:** Filed May 2, 1996; effective June 6, 1996. **Amended:** Filed November 5,

1996; effective December 5, 1996. **Amended:** Filed January 6, 2016; effective February 10, 2016.

810-6-5-.02.01 **State Sales And Use Tax Certificate Of Exemption For Entities Having A Statutory Exemption From The Payment Of Sales, Use, And Lodgings Taxes.**

(1) Definitions.

(a) Governmental Entity. The Federal Government, the State of Alabama, Alabama public schools, Alabama public universities, healthcare authorities, airport authorities, Alabama counties and municipalities, and public corporation incorporated under any of the provisions of Chapter 50 or 50A of Title 11, Chapter 5 of Title 37, or Chapter 7 of Title 39.

(b) Person or Company. As prescribed in §40-23-1, Code of Ala. 1975.

(2) Certificate of Exemption Requirements.

(a) Persons or companies, including but not limited to those cited in Title 40, Chapter 9, other than governmental entities, which have a statutory exemption from the payment of Alabama sales, use, or lodgings taxes, are required to obtain a sales and use tax certificate of exemption. The certificate of exemption must be renewed on an annual basis.

(b) Within thirty (30) days of receipt of a properly documented and completed application (Form ST: EX-A1-SE), the applicant will be issued a state sales and use tax certificate of exemption (Form STE-1) or a letter of denial. The denial of a properly documented and completed certificate of exemption application under the provisions of this rule are subject to the appeal rights provided for in §40-2A-8, Code of Ala. 1975.

(3) Annual Renewal Required. Certificates of exemption are valid for one year from the date of issuance and must be renewed annually each subsequent year before the end of the month in which the certificate expires. Any person or company that fails to obtain or renew a certificate of exemption prior to its expiration, will no longer be allowed to make tax exempt purchases or rent tax exempt accommodations until such time as the application for renewal is made and the certificate is reinstated.

(4) informational Reports Required. All persons or companies required to obtain a certificate of exemption as described herein, are required to file an informational report with the department in a manner prescribed in Rule 810-6-5-.02.02.

(a) Such required informational reports, if required by the Department, are a prerequisite for the renewal of certificates of exemption.

(b) Any person or company that does not comply with the reporting requirements may be barred from the use of any certificate of exemption until such time as the required informational report is filed with the department, not to exceed six months for the first offense and one year for the second offense. On the third offense, such person or company shall be barred from the use of any certificate of exemption until such time as the person or company is authorized to obtain a certificate of exemption pursuant to a joint resolution by the Alabama legislature.

(5) Consequences of Improper Use.

(a) The department may assess any person or company with state and local sales, use, and lodgings tax for any transaction conducted with a certificate of exemption not properly accounted for and reported in accordance with the provisions of this rule.

(b) Any person or company that intentionally uses a certificate of exemption in violation of its intended purpose shall, in addition to the actual sales, use and/or lodgings tax liability due, be subject to a civil penalty in an amount of not less than two-thousand dollars ($2,000) or two times any state and local sales, use and/or lodgings tax due for the transactions, whichever is greater, and based on the person or company’s willful misuse of the certificate of exemption, may be barred from the use of any certificate of exemption for up to two years.

(6) Certificate of Exemption Information. Upon approval of an application for a sales and use tax certificate of exemption. The department will provide the applicant with a Form STE-1 containing the following information:

(a) Certificate holder's exemption number.

(b) Restrictions, if any, to the scope of the certificate holder's exempt status.

(c) Nature of the certificate holder's business.

(d) Statement of the duties and responsibilities of the vendor to whom a certificate is provided by the holder.

(e) Statement, to be declared by the certificate holder under penalties of perjury, as to the validity of the exemption claim.

(f) Certificate holder's name and address.

(g) Date of approval or issuance by the department. (h) Signature of approval by the department.

(7) Certificates Provided to Vendors. The certificate of exemption (Form STE-1) can be copied, completed, and provided to vendors as documentation for tax exempt purchases. At the time of providing a copy of a Form STE-1 to a vendor from whom a tax-exempt purchase is being made, the following information shall be provided by the certificate holder on the certificate copy that the holder provides to the vendor:

(a) Name and address of the vendor to whom the certificate copy is provided,

(b) Date the certificate is provided,

(c) Basis for the certificate holder's exemption claim, and

(d) Signature and title of the authorized representative for the certificate holder.

(8) Additional Information.

(a) Certificate holders regularly engaged in making tax exempt purchases of the kind and nature for which the Form STE-1 has been issued may furnish a properly executed certificate to the seller or lodgings provider specifying that all tangible personal property or lodgings 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 tangible personal property or lodgings purchased is of the kind usually purchased for the purpose indicated.

(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 for which the certificate was issued is closed.

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

(e) Sales of tangible personal property to any person, firm, or corporation not required to have a sales tax license are

subject to sales or use tax until the contrary is established. 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-1. Any such sale for which an exemption has been claimed but which is not supported by a Form STE-1 may be deemed a sale at retail by the department and the seller held liable for the tax thereon.

Author: Ginger Buchanan, Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-9-60, 40-2-31, 40-23-31, 40-23-120.
History: **New Rule:** Filed January 6, 2016; effective February 10, 2016. **Amended:** Filed June 27, 2016; effectiveAugust 11, 2016. **Amended:** Published June 30, 2022; effective August 14, 2022.

810-6-5-.02.02 **2 Informational Report For Entities Having A Statutory Exemption From The Payment Of Sales, Use, And Lodgings Taxes.**

(1) The term "state sales tax" as used in this rule shall mean the privilege or license tax levied in §40-23-2, Code of Ala. 1975, upon the sale of tangible personal property in Alabama.

(2) The term "state use tax" as used in this rule shall mean the excise tax levied in §§40-23-61 and 40-23-63, Code of Ala. 1975, upon the storage, use, or other consumption of tangible personal property in Alabama.

(3) The term "state lodgings tax" as used in this rule shall mean the transient occupancy tax levied in §40-26-1, Code of Ala. 1975, upon all charges made for the use of rooms, lodgings, or other accommodations in Alabama.

(4) The term "certificate of exemption" as used in this rule shall mean the certificate required to be obtained through the process described in Department of Revenue Rule 810-6-5-.02.01, entitled State Sales and Use Tax Certificate of Exemption for Entities Having a Statutory Exemption from the Payment of Sales, Use and Lodgings Taxes.

(5) Requirements to File an Informational Report. All persons or companies required to obtain a certificate of exemption as described herein, are required to file an informational report with the Department.

(a) Such required informational reports shall be a prerequisite for the renewal of certificates of exemption.

(b) Any person or company that does not comply with the reporting requirements may be barred from the use of any certificate of exemption until such time as the required informational report is filed with the Department, not to

exceed six months from the date of the Department's written notification of revocation for the first offense and not to exceed one year from such date for the second offense. On the third offense, such person or company shall be barred from the use of any certificate of exemption until such time as the person or company is authorized to obtain a certificate of exemption pursuant to a joint resolution by the Alabama legislature. Pursuant to this provision, such person or company will not be able to renew the certificate until the time period for which they are barred from such use has expired. However, the application of this provision shall not void any properly issued certificate during the period for which it was issued.

(6) Assessment for Improper Use. The Department may assess any person or company with state and local sales, use, and lodgings tax for any transaction conducted with a certificate of exemption not properly accounted for and reported in accordance with the provisions of this rule.

(7) Prerequisite for Exemption Renewal. Any person or company required to file an informational report as a prerequisite for the renewal of a certificate of exemption shall prepare and forward to the Department, within the time prescribed, the Report of Exempt Purchases for the applicable fiscal year (October 1 through September 30) using forms prescribed by the Department.

(8) The Report of Exempt Purchases. For persons or companies having a Certificate of Exemption issued by the Department effective on or after January 1, 2016, and required to meet the filing requirement, the first report required to be filed shall be due by October 31, 2017, for the fiscal year ended September 30, 2017.

(a) Thereafter, informational reports will be required to be filed by October 31, 2021, for the fiscal year ended September 30, 2021, and each quadrennial October 31st thereafter for the prior year period from October 1 through September 30.

The Report of Exempt Purchases shall require the following information:

1. Exemption certificate number, federal employer identification number, legal name, trade or business name, and complete address,

2. Fiscal year covered by the report (October 1 through September 30),

3. Whether the certificate holder is a for-profit or non-profit entity,

4. If available, the certificate holders NTEE (National Taxonomy of Exempt Entities) Code on file with the IRS, or equivalent if for-profit,

5. Revenue reported on line 12 of IRS Form 990, Return of Organization Exempt from Income Tax, if certificate holder is a non-profit entity required to file Form 990, or total gross receipts, as reported on federal income tax return, times the Alabama apportionment factor if certificate holder is a for profit entity. For-profit entities not required to complete an unconsolidated federal income tax return or Alabama apportionment schedule must prepare the appropriate pro-forma return and/or schedule for this calculation. If a certificate holder is a non-profit entity and is not required to file Form 990, such entity shall disclose its gross receipts for its most recent accounting year,

6. Expenses reported on line 18 of IRS Form 990, Return or Organization Exempt from Income Tax, if certificate holder is a non-profit entity required to file Form 990, or total expenditures, as reported on federal income tax return, times the Alabama apportionment factor if certificate holder is a for profit entity. For-profit entities not required to complete an unconsolidated federal income tax return or Alabama apportionment schedule must prepare the appropriate pro-forma return and/or schedule for this calculation. If the certificate holder is a non-profit entity and is not required to file Form 990, such entity shall disclose its total expenditures for its most recent accounting period,

7. A breakdown, by applicable tax rate, of the total purchase price of tangible personal property purchased or consumed in Alabama during the tax reporting period,

8. Total amount of charges resulting from the use of rooms, lodgings, or other accommodations in Alabama during the tax reporting period, and

9. Signature, printed name, title, telephone number and e-mail address (if any) of certificate holder or certificate holder’s duly authorized representative and the date signed.

(9) Other Required Filing Frequencies. A person or company with an annual reporting requirement, or other statutorily required filing frequency, must submit the required information report pursuant to the provisions of this rule.

(10) Electronic Filing of Information Report. Informational reports shall be filed electronically through the Department’s electronic filing system.

Author: Ginger Buchanan, Lee Ann Rouse
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-31, 40-23-120; and Chapter 9 of Title 40.
History: **New Rule:** Filed April 20, 2016, effective June 4, 2016.
Amended: Filed September 30, 2016, effective November 14, 2016.
Amended: Published November 30, 2021, effective January 14, 2022.

810-6-5-.03 Contractors' Gross Receipts Tax.

(1) Definitions

(a) Contractor's Gross Receipt Tax- The privilege or license tax levied upon every person, firm, or corporation engaged, or continuing within this state in the business of contracting to construct, reconstruct, or build any public highway, road, bridge, or street.

(b) Reconstruct- To construct again or repair an existing public highway, road, bridge, street, or tunnel.

(2) Contractors Gross Receipts Tax

(a) Applies to all payments made to the contractor or contract assignee whether the payments are made pursuant to a contract, purchase order, supplemental agreement, change request, or other agreement to construct, reconstruct, or build any public highway, road, bridge, street, or tunnel.

(b) Applies to any contract between a contractor or contract assignee and the state or between a contractor and any city, town, or county if the state is a joint party with the city, town, or county to construct, reconstruct, or build any public highway, road, bridge, street, or tunnel, including but not limited to contracts for:

1. Earthwork

2. Bases

3. Surfacing

4. Pavements

5. Structures

6. Incidentals, which become a part of the highway, road, bridge, street, or tunnel

7. Traffic control devices

8. Highway lighting

9. Materials

10. Bridge scouring and painting,

11. Installation or repair of overhead signs

12. Installation or repair of structure footings

13. Sign rehabilitation

(3) Exemptions. The contractor's gross receipts tax does not apply to the following:

(a) Contracts between a contractor or contract assignee and the federal government when the state is not a party to the contract.

(b) That portion of the gross receipts received by the contractor or contract assignee constituting additional amounts paid to the contractor or contract assignee under contractual escalation provisions allowing for an increase in the contract price for escalations in the cost of fuels, materials, or labor.

(c) Gross receipts received by a contractor or contract assignee from contracts with the state to construct, reconstruct, or build rest areas or welcome stations.

(d) Contracts between a contractor or contract assignee and any city, town, or county when the state is not a party to the contract.

(e) Contracts that do not include or require the construction, reconstruction, or building of a public highway, road, bridge, street, or tunnel. (Misener Marine Construction, Inc. V. Eagerton, 423 So.2d 161 (1982))

(4) Return Due Date and Discount.

(a) The contractor's gross receipts tax shall be due and payable in monthly installments on or before the 20th day of the month next succeeding the month in which a payment subject to this tax is received by the contractor or contract assignee. Every person, firm, or corporation on whom the tax is levied shall file a contractors gross receipts tax return for each calendar month, compute the tax due, and pay the amount of tax due to the department.

(b) A discount is allowed pursuant to Administrative Rule 810-3-5-.03.01 entitled Contractors Gross Receipts Tax Discount.

Author: Ginger Buchanan; Christy Vandevender

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-31, 40-23-50. Misener Marine Construction, Inc. V. Eagerton, 423 So.2d 161 (1982).
History: Adopted September 20, 1963. **Amended:** April 12, 1973. **Amended:** October 29, 1976. Readopted under APA October 31, 1982. **Amended:** December 5, 1984, effective January 10, 1985. **Amended:** February 8, 1989. Notice of Intended Action filed March 22, 1989; adopted May 9, 1989. Certification filed June 2, 1989; effective July 7, 1989. **Amended:** Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed January 19, 2006; effective February 23, 2006. **Amended:** Published October 31, 2024; effective December 15, 2024.

810-6-5-.03.01 Contractor's Gross Receipts Tax Discount.

(1) §40-23-50, Code of Ala. 1975, provides that the sales tax discount authorized by §40-23-36, Code of Ala. 1975, also applies to contractor's gross receipts tax due and payable to the state.

(2) The contractor's gross receipts tax discount is calculated as follows:

(a) Five percent (5%) of the first $100 of tax.

(b) Two percent (2%) of the tax over $100.

(c) Discount is limited to a maximum of $400 per month.

(3) The discount authorized is limited to each contractor regardless of the number of projects upon which the contractor must report and pay contractors gross receipts tax. No discount is authorized or allowed for any taxes not paid before delinquency.
Author: Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a), 40-23-31, 40-23-36, 40-23-50(c); Executive Order No. 51 and Executive Order No. 53.
History: **New Rule:** Filed September 3, 1996; effective October 8, 1996. **Amended:** Filed August 30, 2001; effective October 4, 2001. **Repealed and New Rule:** Published October 31, 2024; effective December 15, 2024.

810-6-5-.04 Credit For Taxes In Other States.

(1) Code of Ala. 1975, Section 40-27-1, Article V. 1, provides that "each purchaser liable for a use tax on tangible personal property shall be entitled to full credit for the combined amount or amounts of legally imposed sales or use taxes paid by him with respect to the same property to another state and any subdivision thereof. The credit shall be applied first against the amount of

any use tax due the state, and any unused portion of the credit shall then be applied against the amount of any use tax due a subdivision."

(2) Notwithstanding Code of Ala. 1975, Sections 40-23-65 and 40-23-106, credit for legally imposed sales and use taxes paid to any other state or its subdivisions will be allowed against Alabama use tax due even if that state does not allow credit for sales and use taxes paid to Alabama or its subdivisions.

(3) The total credit allowed cannot exceed the taxes due the state of Alabama or its subdivisions. Any amount of tax paid to another state or its subdivisions which exceeds the amount of tax due Alabama with respect to the same property may then be credited against any local taxes due with respect to the same property. If the legally imposed taxes paid to another state or its subdivisions exceed the taxes due Alabama and its subdivisions, no further credit shall be allowed. The excess of taxes paid on a purchase cannot be credited against taxes due Alabama and its subdivisions on another purchase. No credit will be allowed for taxes paid in error which were not legally due another state or its subdivisions.

(4) The following example is provided to illustrate how credit shall be allowed for legally imposed taxes paid to other states and their subdivisions:

Purchase Price of Item A: $4,000 (no tax paid to another state or its subdivisions)

Purchase Price of Item B: $6,000 (7% total tax paid to another state and its subdivisions)

Total Purchases: $10,000

Assume that the local use taxes levied by Alabama subdivisions and applicable to Items A and B total 2 percent. (Local tax rates in Alabama vary.)

State of Alabama Use Tax Due on

Items A and B: $400 (4% x $10,000)

Use Tax Due Subdivisions of Alabama on

Items A and B: $200 (2% x $10,000)

Maximum Available Credit: $420 (7% x $6,000)

Alabama State Use Tax Eligible for Offset: $240 (4% x 6,000)

Local Use Taxes of Alabama Subdivisions

Eligible for Offset: $120 (2% x $6,000)

Actual Allowable Credit (Total State and

Local Taxes Eligible for Offset: $360

State Use Tax Due Alabama after allowance of allowable credit:

$160 ([4% x $10,000] less $240 = $160)

Local Use Tax Due Alabama Subdivisions after allowance of allowable credit: $ 80 ([2% x $10,000] less $120 = $ 80)

(a) In this example, 4 percent Alabama use tax totaling $400 is due on the total purchases of $10,000. The taxpayer is entitled to credit for up to $420 in legally imposed taxes paid to another state and its subdivisions with respect to Item B; however, the actual allowable credit cannot exceed total taxes due Alabama and its subdivisions with respect to Item B.

(b) The taxpayer must pay Alabama state use tax of $160 ($400 tax due on all purchases less credit of $240 for taxes paid to another state and its subdivisions since the credit can only be applied to Alabama tax due on Item B). The balance of $180 shall be applied against local use taxes due Alabama subdivisions with respect to Item B.

(c) The taxpayer must pay local use tax to Alabama subdivisions to $80 ($200 local tax due on all purchases less credit for $120. The $60 in taxes paid to another state and its subdivisions with respect to Item B cannot be used as a credit against taxes due Alabama and its subdivisions with respect to Item A).

Author: Joe Cowen, Dan DeVaughn, Patricia A. Estes
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-31, 40-23-83, 40-27-1, Article V.1.
History: Filed January 19, 1988. **Amended:** Filed February 26, 1996; effective April 1, 1996. **Amended:** February 3, 1998; effective March 10, 1998.

810-6-5-.04.01 Reciprocity For Municipal And County Sales, Gross Receipts, Use, And Rental Taxes.

(1) The definition of the term "gross receipts tax in the nature of a sales tax" as used in this rule shall be the same as the definition contained in Section 40-2A-3(8), Code of Ala. 1975.

(2) If a sales tax, gross receipts tax in the nature of a sales tax, use tax, or rental tax levied by or on behalf of an Alabama municipality is paid under a requirement of law, the property

which is the subject of the tax, when imported for use, storage, or consumption into another Alabama municipality, is not subject to the sales tax, use tax, or rental tax, regardless of rate, which is required by the second municipality under any municipal ordinance or any act of the Legislature. (Section 40-23-2.1(a), Code of Ala. 1975)

(3) If a sales tax, gross receipts tax in the nature of a sales tax, use tax, or rental tax levied by or on behalf of an Alabama county is paid under a requirement of law, the property which is the subject of the tax, when imported for use, storage, or consumption into another Alabama county, is not subject to the sales tax, use tax, or rental tax, regardless of rate, which is required by the second county under any county ordinance, resolution, or any act of the Legislature. (Section 40-23-2.1(b))

(4) Reciprocity for local sales tax, gross receipts tax in the nature of a sales tax, use tax, and rental tax applies on a "city to city" and "county to county" basis. Payment of a municipal sales, gross receipts, use or rental tax will not preclude payment of a county sales, gross receipts, use, or rental tax nor will payment of a county sales, gross receipts, use, or rental tax preclude payment of a municipal sales, gross receipts, use, or rental tax. (Section 40-23-2-1(c))

(5) The reciprocity outlined in (2), (3), and (4) above applies to all municipalities and counties of the State of Alabama.

(6) When a county or municipal sales tax, gross receipts tax in the nature of a sales tax, use tax, or rental tax is paid to a county or municipality in good faith based on a reasonable interpretation of the ordinance, resolution, or act levying the tax but not under a requirement of law; any refund of the erroneously paid taxes to the taxpayer by the improper locality and any collection of the taxes due from the taxpayer by the proper locality shall be made in accordance with the provisions of Section 40-23-2.1(c) and, unless otherwise provided in Section 40-23-2.1(c), the provisions of Chapter 2A of Title 40. Petitions for refund of any portion of county or municipal tax erroneously paid to an improper county or municipality which is in excess of the correct amount of tax due the proper county or municipality shall be filed in accordance with the provisions contained in Section 40-2A-7(c). (Section 40-23-2.1(c))

Author: Dan DeVaughn, Christy Vandevender

Statutory Authority: Code of Ala. (1975), §§ 40-2A-3, 40-2A-7(a)(5), 40-23-1, 40-23-2, 40-23-2.1,40-23-31, 40-23-83.

History: Filed January 19, 1988. **Amended:** Filed September 15, 1998; effective October 20, 1998 **Amended:** Published February 28, 2025; effective April 14, 2025.

810-6-5-.04.02 Seller's Responsibility to Collect County And Municipal Sales And Use Taxes.

(1) Scope. The provisions of this rule are limited to describing a business's obligation to collect and remit a local jurisdiction's sales or use tax, whether or not that business has a physical location in the state. The provisions of this rule have no bearing on a business's other local tax or fee obligations including specifically a local jurisdiction's business license tax. An obligation to collect and remit a local jurisdiction's sales or use tax under the provisions of this rule does not obligate the business to file a return for or pay any other local tax or fee. Likewise, this rule does not address sourcing issues associated with the determination of where tax is due or in which local jurisdiction tax is due. Sourcing issues are controlled by the passage of title from seller to customer and are not addressed herein. The provisions of this rule do not apply to the sale of automobiles, motorcycles, trucks, truck trailers or semitrailers in transactions governed by Section 40-23-2(4) or 40-23-102, Code of Ala. 1975, and Rule 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), or 810-6-3-.03.02. (Automotive Vehicles, Certificate of Exemption/Out-Of-State Delivery Form).

(2) Under the provisions of Sections 11-51-200 and 11-51-202, Code of Ala. 1975, as amended, the governing body of any municipality in the state may provide by ordinance for the levy of municipal sales and use taxes, parallel to the state levy of sales and use taxes. Under the provisions of Sections 11-3-11.2 and 40-12-4, Code of Ala. 1975, as amended, or any general, special or local enabling act of the Legislature, the governing body of any county in the state may provide for the levy of county sales and use taxes, parallel to the state levy of sales and use tax except in limited instances where a contrary local sales and use tax act was in effect on February 25, 1997. As used in this rule, the term "local jurisdiction" means a municipality, special tax district, police jurisdiction or county in Alabama.

(3) The threshold applicable for determining whether a seller is obligated to collect and remit the state sales or use tax associated with interstate transactions shall also be applied by sellers to determine whether the seller is obligated to collect and remit local sales or use tax by examining the contacts the seller has within each local jurisdiction where local sales or use tax is due. Except as described in the following paragraphs, any seller responsible for collecting and remitting state sales or use tax with respect to a particular retail sales transaction or taxable use must collect and remit the corresponding sales or use tax for the appropriate local jurisdiction(s) with respect to the

transaction or use. A seller may only avoid the responsibility for collecting and remitting a local jurisdiction's sales or use tax when the seller lacks physical presence within the local jurisdiction that would be sufficient to create an obligation to collect and remit state sales or use tax if the sales transaction or use in question was an interstate transaction.

(4) For purposes of determining whether the seller lacks sufficient physical presence within the local jurisdiction to create an obligation to collect and remit the local jurisdiction's sales or use tax, the seller should refer to and must apply the provisions of Rule 810-6-2-.90.01 entitled "Seller's Responsibility to Collect and Pay State Sales Tax and Seller's Use Tax."

(5) The following are intended to provide examples of the type of activity that would or would not establish a taxable presence with a local jurisdiction. These examples do not address every business activity conducted by a seller that could establish a taxable presence and impose on the seller the requirement to collect the local tax.

(a) EXAMPLES:

1. Retailer A, a furniture store with its location in the City of Montgomery (Montgomery County), makes sales to customers in Auburn (Lee County) and delivers the furniture sold to Auburn customers into Auburn using its own delivery trucks and its own employees. Because Retailer A has a physical presence (delivery trucks and employees) in Auburn (Lee County) it is responsible for collecting and remitting the Auburn and Lee County sales taxes on its sales delivered into those localities.

2. Retailer B, a sporting goods store with its location in the City of Birmingham (Jefferson County), makes sales to customers in Gulf Shores (Baldwin County) and delivers the goods sold to Gulf Shores customers into Gulf Shores via UPS, a common carrier. Retailer B has no other contact with Gulf Shores or Baldwin County. Because Retailer B lacks a physical presence in Gulf Shores (Baldwin County) it is not responsible for collecting and remitting the Gulf Shores or Baldwin County sales tax on its sales delivered into those localities. However, the customer would be responsible for remitting any applicable use tax to Gulf Shores and Baldwin County.

3. Retailer C, a janitorial supply store with its location in the City of Mobile (Mobile County) and with salesmen soliciting sales in the City of Huntsville (Madison County), makes sales to Huntsville customers and delivers the supplies sold to Huntsville customers into Huntsville via UPS, a common carrier. Because Retailer C

has a physical presence (salesmen) in Huntsville (Madison County), it is responsible for collecting and remitting the Huntsville and Madison County sales taxes on its sales delivered into those localities.

Note: State sales tax would still have to be collected and remitted in all examples.

(6) This rule shall apply to all transactions occurring on or after January 1, 2014.
Author: Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-2, 40-23-68, 11-51-180, 11-51-200.
History: **New Rule:** Filed October 25, 2013, effective November 29, 2013.

810-6-5-.05 Effective Date Of New Sales And Use Tax Laws (Repealed 12/28/98).

(Repealed)
Author: Patricia A. Estes
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: **Repealed:** Filed November 23, 1998; effective December 28, 1998.

810-6-5-.06 Hotels, Lodging Houses, Apartment Houses, Tourist Camps (Repealed 4/29/02).

(Repealed)
Author: Donna Joyner
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26-19.
History: **Repealed:** Filed March 25, 2002; effective April 29, 2002.

810-6-5-.09 Leasing And Rental Of Tangible Personal Property.

(1) The term "rental tax" as used in this rule shall mean the privilege or license tax levied in Section 40-12-222, Code of Ala. 1975.

(2) Unless otherwise defined in this rule, the definitions of terms contained in Section 40-12-220 are incorporated by reference herein.

(3) Rental tax is levied on each person, firm, or corporation engaged in the business of leasing or renting tangible personal property in an amount equal to 4 percent of the gross proceeds of the business except the rate of 2 percent shall apply to the gross proceeds from the leasing or rental of linens and garments, and the rate of 1 ½ percent shall apply to the gross proceeds from the leasing or rental of automotive vehicles, truck trailers, semitrailers, and house trailers. (Section 40-12-222)

(4) Persons leasing or renting tangible personal property in Alabama shall apply for and obtain a rental tax license from the department on forms furnished by the department. (Section 40-12-221)

(5) Unless the taxpayer qualifies to file and pay rental tax on a calendar quarter or calendar year basis, rental tax is due and payable in monthly installments on or before the twentieth day of the month next succeeding the month in which the tax accrues. See Rule 810-6-5-.30.01 Filing and Paying State Rental Tax and State-Administered County and Municipal Rental Taxes on a Quarterly or Annual Basis. Every lessor on whom the tax is levied shall prepare and forward to the department within the time prescribed by law, on forms prepared and furnished by the department, a rental tax return for each calendar tax reporting period and shall compute the tax due and shall pay to the department the amount of tax shown to be due. Rental tax returns shall require the following information:

(a) Taxpayer's tax account number, legal name, and complete address,

(b) Period covered by the return and due date of the return,

(c) A breakdown, by applicable tax rate, of the gross proceeds from the rental or leasing of automotive vehicles, truck trailers, semi-trailers, and house trailers; the gross proceeds from the rental or leasing of linens and garments; and the gross proceeds from the rental or leasing of all other tangible personal property,

(d) A breakdown, by otherwise applicable tax rates, of total deductions claimed,

(e) Measure of tax by applicable tax rate,

(f) Gross tax due by applicable tax rate,

(g) Total gross amount of tax due,

(h) Penalties and interest due, if applicable, (i) Credits claimed, if any,

(j) Total amount due,

(k) Total amount remitted

(l) An indication if payment of tax is made through electronic funds transfer (EFT), and

(m) Taxpayer's signature, title, and date signed.

(6) The gross proceeds from the following transactions are exempted or excluded from the computation of rental tax:

(a) The transactions enumerated in Section 40-12-223.

(b) The detention by the user of freight cars, oxygen and acetylene tanks, and similar property for which detention a demurrage or per diem charge is made against the user of the property. (Section 40-12-220(5))

(c) The leasing or rental of oxygen or durable medical equipment by a provider to a recipient of benefits under the Medicare or Medicaid program under orders from a duly licensed physician. The term "durable medical equipment" means equipment which can stand repeated use, is used to serve a purpose for medical reasons, and is appropriate and suitable for use in the home. (Section 40-9-30, Code of Ala. 1975)

(d) Effective August 1, 2014, in addition to any other exemptions provided herein, any item used for the treatment of illness or injury or to replace all or part of a limb or internal body part rented or leased by or on behalf of an individual pursuant to a valid prescription and covered by and billed to Medicare, Medicaid, or a health benefit plan shall be exempt from state, county, and municipal rental and leasing taxes. This exemption includes, but is not limited to, any of the following:

1. Durable medical equipment, including repair parts and the disposable or single patient use supplies required for the use of the equipment,

2. Prosthetic and orthotic devices, and

3. Medical supplies as defined and covered under the Medicare program, including, but not limited to, items such as catheters, catheter supplies, ostomy bags and supplies related to ostomy care, specialized wound care products, and similar items that are covered by and billed to Medicare, Medicaid, or a health benefit plan. (Section 40-9-30, Code of Ala. 1975)

(7) When a lessor in Alabama (i) leases tangible personal property to a lessee in another state, (ii) the property is to be used in the other state, and (iii) the lessor's records in this state show that the property is leased in the other state; the gross proceeds

derived from the property leased in the other state are not taxable in this state.

(8) When a lessor (i) is located outside Alabama, (ii) leases tangible personal property to a lessee within Alabama and (iii) the leased property is used in Alabama; the total gross proceeds from the lease of tangible personal property in this state are subject to rental tax.

(9) Any person in this state leasing or renting any automotive vehicle, truck trailer, semitrailer, or house trailer is liable for rental tax on the gross proceeds derived from the leases or rentals, although the automotive vehicle, truck trailer, semitrailer, or house trailer may be turned into the lessor in another state. Where any automotive vehicle, truck trailer, semitrailer, or house trailer is leased in another state and turned in to the lessor in this state, the rental receipts therefrom would not be subject to the tax.

(10) Where a lessor leases or rents a truck, truck trailer, or semitrailer to a motor carrier in this state, the total gross receipts from the rental of the truck, truck trailer, or semitrailer would be subject to the tax, although the truck, truck trailer, or semitrailer may occasionally travel in interstate commerce in other states. Where the lessor leases a truck, truck trailer, or semitrailer to a motor carrier outside this state, the receipts therefrom would not be subject to the tax although the truck, truck trailer, or semitrailer may occasionally travel in this state in interstate commerce.

(11) The gross receipts derived from leases or rentals of tangible personal property are not subject to rental tax when the 4 percent amusement tax levied in Section 40-23-2(2), Code of Ala. 1975, applies to the same gross receipts. Items, the gross receipts from which are taxable under the amusement tax levy, include, but are not limited to, the rental of skates or shoes at skating rinks and bowling alleys, the rental of golf carts and clubs rented by places open to the public, coin-operated music machines located in public places, and coin-operated rides in shopping centers.

(12) The sale of tangible personal property to any person engaged in the business of leasing or renting the same tangible personal property to others in transactions subject to the rental tax is a wholesale sale and not subject to sales or use tax. This exclusion from sales and use tax also applies to replacement and repair parts purchased by the lessor for use in repairing tangible personal property leased or rented by the lessor. Where the lessor sells tangible personal property previously purchased at wholesale for the purpose of renting or leasing the property, regardless of whether the sale is to the person to whom the property had been leased or rented or to some other person, sales tax is due on the gross receipts derived from the sale.

(13) Where the lessor purchases tangible personal property for leasing or rental to others, at wholesale, tax exempt, and thereafter diverts the property to his or her own use, sales tax is due on the fair and reasonable market value of the property at the time of withdrawal.

(14) Any person, who claims the rental tax exemption in Section 40-12-223(4) and thereafter diverts the property to his or her own use, is liable for rental tax on the amount of rental payments he or she pays to the lessor for the period during which the property is diverted and used.

(15) The Rental Tax Law permits lessors of tangible personal property to pass on to lessees such licenses or privilege taxes by adding such taxes to the leasing price or other enumerated charges with all such amounts constituting the gross proceeds subject to the privilege or license tax. The amendment further clarifies that any license or privilege tax passed on to the lessee by adding such tax to the leasing price or otherwise passed on to the lessee, shall be included in the monthly taxable gross proceeds, subject to the rental tax. This amendment to the law did not change the fact that Alabama rental tax is levied against the lessor and is not a consumer tax. If rental tax is billed or passed on to the lessee or added as an additional cost of the lease, the additional amount is to be included as a part of the taxable gross proceeds from the lease. A lessor may not pass on such amounts to the lessee on leases of tangible personal property to the State of Alabama, or a municipality or county of the State, unless the flat amount includes both the tax and the leasing fee.

(16) The rental tax shall be administered and collected in accordance with the uniform procedures set forth in Title 40 and the provisions of Section 40-12-224. These sections do not provide for a discount for prompt payment of rental tax.
Author: Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-12-220 et seq., 40-12-224.
History: Rule effective October 1, 1982. Amended filed May 6, 1992. Amended filed September 7, 1993; effective October 12, 1993.
Amended: Filed February 26, 1996; effective April 1, 1996.
Amended: Filed September 15, 1998; effective October 20, 1998.
Amended: Filed November 21, 2001; effective December 26, 2001.
Amended: Filed October 30, 2014; effective December 4, 2014.

810-6-5-.09.01 1 Leasing And Rental Of Tangible Personal Property - Rule 2.

(1) §40-12-222, Code of Ala. 1975, as amended, levies a privilege or license tax upon every person, firm or corporation engaged or continuing within this state in the business of leasing or renting tangible personal property an amount equal to four percent of the

gross proceeds of any such business, except the rate of two percent shall apply to the gross proceeds derived by the lessor for the leasing or rental of linens and garments, and one and one-half percent shall apply to the gross proceeds derived by the lessor for the leasing or rental of automotive vehicles, truck trailers, semitrailers, and house trailers.

(2) §40-12-220(4) of the rental tax law defines gross proceeds as the value proceeding or accruing from the leasing or rental of tangible personal property, including any license or privilege taxes passed on to a lessee by a lessor, without any deduction on account of the cost of the property so leased or rented, the cost of materials used, labor or service cost, interest paid, or any other expense whatsoever, and without any deductions on account of loss, and shall also include on the part of any person claiming exemption under subdivision (4) of §40-12-223 an amount equal to the amount of rental paid on any tangible personal property acquired under such exemption and thereafter diverted to the use of such person.

(3) The gross proceeds derived by the lessor of tangible personal property for services provided which are incidental to the lease of the property and embodied in the lease agreement are subject to rental tax, even if the charge for such service is separately stated. When, under a separate optional agreement, the lessor of tangible personal property performs independent services that are separate, distinct, and not incidental to the leasing of the property, the gross proceeds from those independent services are not derived from the lease and are not subject to rental tax. To be excluded from the amount subject to rental tax, the charges for the independent services must be separately stated.

(a) When a lessor engaged in leasing or renting tangible personal property requires maintenance of the item leased or rented as part of the leasing or rental contract, the gross proceeds derived therefrom, including charges for maintenance, will be subject to the tax. When there is a separate, optional contract for maintenance only, the rental or leasing tax will not apply to the gross proceeds derived therefrom.

(b) When a lessor engaged in leasing or renting tangible personal property is required to deliver and pick-up the leased property as part of the leasing or rental contract, the gross proceeds derived therefrom, including the delivery and pick-up charges, will be subject to the tax. A separate agreement for delivery and pick-up services is considered part of the lease agreement and the delivery and pick-up fees are subject to the rental tax. A lessor cannot separate the delivery and pick-up fees as a means to avoid the rental tax.

(c) When a lessor engaged in leasing or renting tangible personal property is required to provide installation or setup services as part of the leasing or rental contract, the gross

proceeds derived therefrom, including charges for the installation or setup, will be subject to the tax. When there is a separate, optional agreement for installation or setup of the leased property, the rental tax will not apply to the gross proceeds derived therefrom. (Thyssenkrupp Safeway, Inc. v. State of Alabama (Admin. Law Div. Docket No. S. 08-401, Final Order entered March 18, 2009))

(4) The one and one-half percent recovery fee that may be included in the rental agreement and collected by the lessor on the gross rental receipts from the rental of heavy equipment property under the provisions of Act 2009-583 is not subject to rental tax. The total amount of the recovery fee shall be retained by the lessor for the purpose of paying personal property taxes levied by all taxing jurisdictions against the heavy equipment property. For the purpose of this section, "heavy equipment property" includes self-propelled, self-powered, or pull-type equipment, including farm equipment, that is intended to be used for agricultural, construction, industrial, mining, or forestry uses, and equipment that is described under Industry Code 532412 of the 2002 North American Industry Classification System. To be excluded from the computation of rental tax, the recovery fee must be separately stated. The recovery fee shall not apply to the leasing or renting of heavy equipment to the State of Alabama, any municipality, or any county.

(5) The Court of Civil Appeals in the Steel City Crane Rental, Inc., and Osborne and Company, Inc., decision stated that the lease or rental of cranes with operators did not constitute the leasing of tangible personal property because the lessee did not have possession or control of the cranes and, therefore, the gross proceeds derived therefrom are not subject to the leasing or rental tax. For tax to be due, the lessee must have possession or use of the tangible personal property. The court further stated that it is fundamental to common sense that before a person can exercise possession or use of property, he must have control thereof and the power to exercise dominion over it. Briefly, the arrangement constitutes a contract for the performance of a particular job or jobs and it is not a lease or rental.

(6) If a lessor of tangible personal property other than cranes is operating in the same manner as the taxpayer referred to above, it must be determined if there is a lease of tangible personal property or a contract to do a particular job, before assessing the tax. (§40-12-220/227)

Author: Deborah Lee, Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§8-25A-1, 40-2A-7(a)(5), 40-12-220 through 40-12-227.
History: Rule effective October 1, 1982. **Amended:** filed May 6, 1992. **Amended:** Filed August 27, 2010; effective October 1, 2010. **Amended:** Filed August 31, 2018; effective October 15, 2018.

810-6-5-.10 Lodgings Tax As It Applies To Accommodations Provided By Trailer Courts (Repealed 4/29/02).

(Repealed)
Author: Donna Joyner
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26-19.
History: Readopted through APA effective October 1, 1982; **Amended:** Filed February 26, 1987. **Amended:** Filed September 15, 1998; effective October 20, 1998. **Repealed:** Filed March 25, 2002; effective April 29, 2002.

810-6-5-.11 Nonresident Vendor's Liability For Use Tax On Deliveries Made Outside Alabama.

(1) A nonresident vendor making a sale to a resident of Alabama is not required to collect Alabama use tax on goods delivered to the buyer at the place of business of the vendor located outside of Alabama.

(2) Nothing herein is to be construed as relieving a nonresident vendor of responsibility for collecting and remitting Alabama use tax on goods transported by him into Alabama or caused to be transported into Alabama by such vendor by common carrier, contract hauler, or the private transportation facilities of the vendor.
Author:
Statutory Authority: Code of Ala. 1975, §40-23-83.
History:

810-6-5-.11.05 Casual Sales Tax And Use Tax On Automotive Vehicles, Motorboats, Truck Trailers, Trailers, Semitrailers, Travel Trailers, And Manufactured Homes.

(1) The definition of the term "manufactured home" set forth in Code of Ala. 1975, Section 40-12-255(n) is incorporated by reference herein.

(2) The definitions of terms set forth in Code of Ala. 1975, Section 40-23-100, are incorporated by reference herein.

(3) The taxes levied in Code of Ala. 1975, Sections 40-23-101(a) and 40-23-102(a) must be collected by the county licensing official before the automotive vehicle, motorboat, truck trailer, trailer, semitrailer, or travel trailer is registered or licensed.

(4) Licensed dealers in Alabama must collect sales tax on their retail sales of automotive vehicles, motorboats, truck trailers, trailers, semitrailers, and travel trailers and must furnish each customer with documentation on the bill of sale showing the sales price and the amounts and rates of any state, county, and city sales taxes collected at the time of purchase. County and city sales taxes collected by said licensed dealers must be identified as to which specific county and city taxes are being collected. (Section 40-23-104(b))

(5) The county licensing official must report and pay the county and city taxes collected pursuant to Sections 40-23-101(c) and 40-23-102(c) directly to the appropriate county or city taxing authority on forms provided by said local taxing authority. (Section 40-23-104(g))

(6) The taxes levied in Code of Ala. 1975, Sections 40-23-101(b) and 40-23-102(b) must be collected by the county licensing official of the county in which the manufactured home will be initially sited before the decal, which is provided for by Section 40-7-1, is issued to evidence payment of the ad valorem tax due on a manufactured home in Alabama and before any homestead exemption is granted for a manufactured home. In those instances where an annual registration fee is due in lieu of ad valorem tax, the taxes levied in Sections 40-23-101(b) and 40-23-102(b) must be collected by the county licensing official before the decal, which is provided for by Section 40-12-255(a), is issued to evidence payment of the annual registration fee. When there has been no change of ownership of a manufactured home since a prior decal was issued; the new decal, whether that decal is provided for by Section 40-7-1 or Section 40-12-255(a), can be issued without payment of the sales of use tax. (Section 40-23-104(f))

(7) Persons, firms, or corporations that purchase automotive vehicles which are taxable pursuant to Code of Ala. 1975, Section 40-23-102, must pay the proper tax to the county licensing official. If the vehicle was used in another state and proper sales or use tax was paid to the other state, no additional tax is due. When registering a vehicle pursuant to the International Registration Plan provisions of Section 32-6-56, Code of Ala. 1975, the county licensing official shall accept the vehicle's cab card as evidence that proper tax was paid provided that the cab card was issued at least 90 days prior to the vehicle's use and registration in Alabama. These persons, firms, and corporations, in turn, are not required to report and pay the state consumers use tax levied by Code of Ala. 1975, Section 40-23-61(c), on these same purchases. They are required, however, to report and pay state consumers use tax on out-of-state purchases of power shovels, drag lines, cranes, or any other automotive vehicles not required to be registered or licensed with the county probate judge.

(8) Persons, firms, or corporations who have been issued direct pay permits pursuant to Code of Ala. 1975, Section 40-23-31, must remit the taxes levied pursuant to Code of Ala. 1975, Sections 40-23-101 and 102, to the county licensing official. Accordingly, sales or use tax on purchases by permit holders of automotive vehicles required to be registered or licensed with the county probate judge when such vehicles are purchased from out-of-state dealers, both licensed and unlicensed, or from unlicensed in-state dealers must be remitted to the county licensing official. Tax on such purchases should not be reported by the permit holder under their direct pay permit account or state consumers use tax account. Permit holders must continue to report and pay state consumers use tax directly to the Revenue Department on purchases from out-of-state dealers of automotive vehicles not required to be registered or licensed with the county probate judge. Automotive vehicles purchased by direct pay permit holders from in-state licensed dealers should be purchased tax free and the sales tax reported directly to the Revenue Department by the permit holder under the direct pay permit account. (Adopted August 10, 1982, readopted through APA effective October 1, 1982, amended April 26, 1990) (Sections 40-23-100, et seq.)
Author: Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-2A-7(a)(1), 40-23-9, 40-23-31, 40-23-83, 40-23-100, et seq., 40-23-111.
History: Notice filed October 20, 1989; filed February 21, 1990; effective March 28, 1990; certification filed March 21, 1990; effective April 26, 1990. **Amended:** Filed August 30, 1994; effective October 4, 1994. **Amended:** Filed June 4, 2004; effective July 9, 2004.

810-6-5-.11.06 Sales And Use Tax Due On Certain Boats Purchased Out Of State Other Than At Wholesale Or Purchased In State Other Than At Wholesale From Persons Other Than Licensed Dealers (Repealed 10/4/94).

(Repealed)
Author: Dan DeVaughn.
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83, Act No. 93-622 Section 10.
History: New rule filed September 27, 1993; effective November 1, 1993. **Repealed:** Filed August 30, 1994; effective October 4, 1994.

810-6-5-.12 Personal Property Used In Rooms Or Other Lodgings (Repealed 4/29/02).

(Repealed)
Author: Donna Joyner

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26-19.
History: Repealed: Filed March 25, 2002; effective April 29, 2002.

810-6-5-.13 Persons, Firms, And Corporations Subject To Lodgings Tax.

(1) The term "lodgings tax" as used in this rule shall mean the state tax levied in Section 40-26-1(a), Code of Ala. 1975, and county and municipal taxes which parallel the state tax levy.

(2) The definition of the term "person" as used in this rule shall be the same as the definition contained in Section 40-2A-3(13), Code of Ala. 1975.

(3) The term "transient" as used in this rule means any person to whom rooms, lodgings, or other accommodations are provided for a period of less than 180 continuous days.

(4) Except as noted, lodgings tax applies to all charges made for the use of rooms, lodgings, or other accommodations, including charges for personal property used or services furnished in the rooms, lodgings, or other accommodations, by every person who is engaged in the business of renting rooms or lodgings or furnishing accommodations to transients. The tax applies regardless of whether the person occupying such rooms or lodgings or receiving such accommodations is a resident or nonresident of the area in which such rooms or lodgings are located or in which such accommodations are furnished.

(5) The lodgings tax shall be collected by all persons engaged in the business of renting or furnishing rooms or other accommodations in any hotel, motel, rooming house, apartment house, lodge, inn, tourist cabin, tourist court, tourist home, camp, trailer court, marina, convention center, or any other place where rooms, apartments, cabins, sleeping accommodations, mobile home accommodations, recreational trailer parking accommodations, boat docking accommodations, or other accommodations are made available to travelers, tourists, or other transients.

(6) Where a separate charge is made for personal property furnished in rooms or other lodgings in addition to the charge for the use of the rooms or other lodgings, such separate and additional charge is subject to the lodgings tax.

(7) Where a separate charge is made for maid, porter or janitorial services furnished in rooms or other lodgings in addition to the charge for the use of the rooms or lodgings, such separate and additional charge is subject to the lodgings tax. Charges for

laundry, dry cleaning, and telephone services are not subject to the tax.

(8) Charges made for the rental of ball rooms, dining rooms, club rooms, sample rooms, conference rooms, wedding chapels, or other meeting spaces that are neither intended nor suitable and not used for overnight sleeping purposes are not subject to the tax levied by Section 40-26-1, Code of Ala. 1975, if the charges for the rental are separately stated by the facility and are used exclusively as a meeting room for any conference, seminar, club meeting, private party or similar type activity. This exclusion, as provided for in this rule, applies solely to the transient occupancy tax levied under Chapter 26 of Title 40, Code of Ala. 1975, and does not apply to any other taxes, licenses, or fees. However, the separately stated rental charges made exclusively for such meeting rooms by the facility are also excluded from the tax levied by Chapter 23 of Title 40

(9) The state of Alabama, counties and incorporated municipalities of the state, and educational institutions and agencies of the state and the counties or incorporated municipalities of the state are not exempt from lodgings tax. Accordingly, charges for rooms, lodgings, or other accommodations furnished to these entities are taxable whether billed directly to, and paid for directly by, the entity or paid by employees of these entities with their own funds. (AGO, Graddick, June 4, 1981) (Section 40-26-1)

(10) Other states, counties and incorporated municipalities of other states, and educational institutions and agencies of other states and counties and incorporated municipalities of other states are not exempt from lodgings tax. Accordingly, charges for rooms, lodgings, or other accommodations furnished to these entities are taxable whether billed directly to, and paid for directly by, the entity or paid by employees of these entities with their own funds. (Section 40-26-1)

(11) Exemptions from the lodgings tax are as follows:

(a) Charges for rooms, lodgings, or accommodations supplied for a period of 180 continuous days or more in any one place are exempt from state, county, and municipal lodgings tax. Prior to December 1, 2001, the tax did not apply to charges for rooms, lodgings, or accommodations supplied for a period of 30 continuous days or more in any one place.

(b) Effective January 1, 2009, charges for rooms, lodgings or accommodations made in connection with a state-certified production which meets the requirements of Section 41-7A-45, Code of Ala. 1975, as amended, shall be exempt from the state lodgings tax. When the qualified production company makes application for and receives written certification of the incentive award from the Alabama Film Office, the Department will issue the appropriate certificate of exemption. The

lodgings tax exemption provided in Section 41-7A-45 applies only to state lodgings tax. The qualified production company must pay application local lodgings taxes. See Lodgings Tax Rule 810-16-1-.01 State Sales, Use, and Lodgings Tax Exemption for Qualified Production Companies.

(c) 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. The charges are exempt from lodgings tax when paid by credit card provided charges to the card are billed directly to, and paid directly by, the U.S. Government and are not billed to and paid by an employee who is reimbursed by the U.S. government. Charges for rooms, lodgings, or other accommodations furnished to federal employees in conjunction with their official duties are taxable when the federal employee pays the charges with his or her own funds or with a credit card and receives reimbursement from the United States government.

(d) Federal credit unions are exempt from state, county, and municipal lodgings tax. (12 U.S.C.A. §1768) This exemption applies to charges for rooms, lodgings, or other accommodations furnished to federal credit unions provided the charges are billed directly to the federal credit union and paid for by the federal credit union with the credit unions funds. The charges are exempt from lodgings tax when paid by credit card provided charges to the card are billed directly to, and paid directly by, the federal credit union and are not billed to and paid by an employee who is reimbursed by the federal credit union. Charges for rooms, lodgings, or other accommodations furnished to federal credit union employees in conjunction with their official duties are taxable when the credit union employee pays the charges with his or her own funds or with a credit card and receives reimbursement from the federal credit union.

(e) Certain foreign diplomats and consular officials are exempt from state, county, and municipal lodgings taxes pursuant to treaties and other diplomatic agreements with the United States. (U.S. Constitution, Article VI) See Sales, Use, and Lodgings Tax Rule 810-6-3-.24.01 entitled Foreign Diplomatic and Consular Officials.

(f) The proceeds from the sale or resale of any vacation time-sharing lease plan are exempt from lodgings tax. (Section 34-27-65, Code of Ala. 1975)

(g) Charges for rooms, lodgings, or other accommodations furnished to entities that are exempted from the payment of any and all state, county, and municipal taxes by special act

of the Legislature including, but not limited to, those entities enumerated in Section 40-9-12 are exempt from lodgings tax provided the charges are billed directly to the exempt entity and paid for by the exempt entity with the exempt entity's funds. The charges are exempt from lodgings tax when paid by credit card provided charges to the card are billed directly to, and paid directly by, the exempt entity and are not billed to and paid by an employee who is reimbursed by the exempt entity. Charges for rooms, lodgings, or other accommodations furnished to employees of the exempt entity in conjunction with their official duties are taxable when the employee pays the charges with his or her own funds or with a credit card and receives reimbursement from the exempt entity.

(h) Charges for certain rooms, lodgings, or accommodations supplied by camps, conference centers, or similar facilities are exempt from lodgings tax. See Lodgings Tax Rule 810-6-5-.21 entitled Lodgings and Programs Provided for Children, Students, or Members or Guests of Nonprofit Organizations by Camps, Conference Centers, and Similar Facilities.

(12) The lodgings tax does not apply to sales of tangible personal property which are subject to the Alabama sales tax. All of the supplies, furniture and fixtures used or consumed in operating such establishments as referenced in paragraph (4) are subject to the sales or use tax, whichever may apply, at the time of purchase for such use or consumption, including beds, bedding, carpets, shades, curtains, linens, uniforms, bathroom supplies, janitor supplies, fuel for heating and cooking, air conditioning equipment, etc.

(13) The lodgings tax shall be due and payable in monthly installments on or before the twentieth day of the month next succeeding the month in which the tax accrues. Every person, firm, or corporation on whom the lodgings tax is levied shall prepare and forward to the Department, within the time fixed and prescribed by law, a lodgings tax return for each calendar month using the Alabama Paperless Filing and Payment System as mandated by the Department and shall pay to the Department the amount of tax shown to be due. See Lodgings Tax Rule 810-6-5-.22 entitled Lodgings Tax Returns.

Author: Debbie Lee, Ginger L. Buchanan, Rouen Reynolds
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26-1(b), 40-26-3, 40-26-19; Act No. 2001-975.
History: **Amended:** Filed September 15, 1998; effective October 20, 1998. **Amended:** Filed March 25, 2002; effective April 29, 2002. **Amended:** Filed January 19, 2006; effective February 23, 2006. **Amended:** Filed December 6, 2011; effective January 10, 2012. **Amended:** Filed August 14, 2017; effective September 28, 2017.

810-6-5-.14 Pipeline Company - Property Transfers.

(1) Property transferred from out of state into Alabama for use, storage, or consumption is assumed to have been purchased for such use, storage, or consumption in Alabama and is subject to the Alabama use tax.

(2) The Department of Revenue will allow credit to use tax liability for new and unused materials transferred out of Alabama which were purchased out of state and on which Alabama use tax has been paid.

(3) The Department will not consider used equipment and materials transferred into Alabama to be taxable where the taxpayer's records clearly show that the property was substantially used prior to the transfer and where there is no appearance of an attempt to evade the payment of the tax by such use and transfer.

(4) No allowance will be made for outgoing transfers of equipment and materials, either new or used, the sales of which were subject to the Alabama sales tax.

(5) In determining whether or not transferred property is subject to tax, the assumption will be that the property was purchased for use in Alabama and that Alabama tax has not been paid thereon. The company will be burdened with showing by its records that the transferred property was purchased for use outside of Alabama and was so used prior to its being transferred to Alabama. The assumption that the property was purchased for use in Alabama is overcome when it is shown that there has been a real and substantial use of the property outside of this state prior to its transfer. §40-23-61

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

810-6-5-.16 Churches And Other Religious Organizations And Institutions.

(1) Except as noted in paragraphs (2) and (3), religious organizations and institutions, including churches and church hospitals, are not exempt from the payment of sales or use taxes on their purchases of tangible personal property. Further, these organizations and institutions, when engaging in the business of selling tangible personal property at retail or operating a public place of amusement or entertainment, must comply with the provisions of the sales and use tax laws relative to collecting,

reporting, and paying sales or use taxes. (§§40-23-2, 40-23-7, 40-23-61, and 40-23-68, Code of Ala. 1975)

(2) Printed or illustrated lessons, notes, and explanations purchased by churches or other religious organizations for distribution free of charge to pupils or students in Sunday schools, Bible classes, or other educational facilities established and maintained by churches or similar religious organizations are exempt from use tax. There is no corresponding exemption from sales tax. This use tax exemption does not apply to purchases which are not distributed in the manner enumerated above or to purchases made by individuals. Sales of hymn books, Bibles, and other religious publications to churches, other religious organizations and institutions, or individuals are taxable at the general rate of sales or use tax. (§§40-23-2, 40-23-61, and 40-23-62(4), Code of Ala. 1975)

(3) Certain religious organizations and institutions are specifically exempted from the payment of sales and use taxes pursuant to special acts of the Legislature. (See Rule 810-6-3-.07.05 entitled Charitable Organizations and Institutions.)
Author: Michele Mayberry, Patricia A. Estes, Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-2, 40-23-7, 40-23-31, 40-23-61, 40-23-62(4), 40-23-68, 40-23-83.
History: **Amended:** Filed November 23, 1998; effective December 28, 1998. **Amended:** Filed November 19, 2018; effective January 3, 2019.

810-6-5-.17 Rooms Or Other Accommodations Furnished For Purpose Other Than Sleeping Quarters (Repealed 4/29/02).

(Repealed)
Author: Donna Joyner
Statutory Authority: Code of Ala. 1975, §S40-2A-7(a)(5), 40-26-19.
History: **Repealed:** Filed March 25, 2002; effective April 29, 2002.

810-6-5-.18 Sales Exclusively Of Articles For 10¢ Or Less (Repealed 11/27/1985).

Rule repealed; effective November 27, 1985.
Author:
Statutory Authority: Code of Ala. 1975, §40-23-31.
History:

810-6-5-.19 Seller To Give Receipt For Tax Collected.

(1) Each retailer required or authorized to collect use tax from purchasers must give a receipt to each purchaser for the amount of tax collected. The receipt need not be in any particular form, but must show the following:

(a) The name and place of business of the retailer. (b) The name and address of the purchaser.

(c) A description identifying the property sold to the purchaser.

(d) The date on which the property was sold.

(e) The sale price of the property.

(f) The amount of tax collected by the retailer from the purchaser.

(g) The serial number of the seller's certificate of authority to collect use tax or the number of the license issued to him under the provisions of the Sales Tax Law.

(2) A sales invoice containing the data required above, together with evidence of payment of such sales invoice, will constitute a receipt.

(3) Purchasers will be liable for payment of the tax to the Department unless they obtain and retain for inspection receipts as herein provided. §40-23-61(d)

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

810-6-5-.19.01 State Use Tax Returns.

(1) The term "state use tax" as used in this regulation shall mean the excise tax levied in Sections 40-23-61 and 40-23-63, Code of Ala. 1975, upon the storage, use, or other consumption of tangible personal property in Alabama.

(2) Unless the taxpayer qualifies to file and pay state use tax on a calendar quarter or calendar year basis, state use tax is due and payable in monthly installments on or before the twentieth day of the month next succeeding the month in which the tax accrues. See Rule 810-6-5-.30 Filing and Paying State Sales and Use Taxes

and State-Administered County and Municipal Sales and Use Taxes on a Quarterly or Annual Basis. (Section 40-23-68)

(3) Every seller liable to collect and remit the state use tax shall prepare and forward to the Department, within the time prescribed by law, a state seller's use tax return for each calendar tax reporting period using forms furnished by the Department and shall pay to the Department the amount of tax shown to be due. State Seller's Use Tax returns shall require the following information:

(a) Taxpayer's tax account number, federal employer identification number, legal name, trade or business name, and complete address,

(b) Period covered by the return and due date of the return,

(c) A breakdown, by applicable tax rate, of the total sales price of tangible personal property sold for delivery in Alabama and collections during the tax reporting period on credit sales previously claimed as a deduction,

(d) Totals, by applicable tax rate, of the items enumerated in (c) above,

(e) A breakdown, by otherwise applicable tax rates, of total deductions claimed,

(f) Measure of tax by applicable tax rate,

(g) Gross tax due by applicable tax rate,

(h) Total gross amount of tax due,

(i) Penalties and interest due, if applicable, (j) Credit claimed,

(k) Total amount due,

(l) Total amount remitted,

(m) An indication if payment of tax is made through electronic funds transfer (EFT), and

(n) Signature of the taxpayer or the taxpayer's duly authorized agent and the date signed.

(4) In accordance with Section 40-23-77, Code of Ala. 1975, Executive Order Number 54 issued by Governor Don Siegelman on May 25, 2001, authorizes, empowers and directs the Department of Revenue to allow a monthly sellers use tax discount not to exceed zero percent (0%) of the use tax due and payable to the State of

Alabama by persons licensed under Section 40-23-66, Code of Ala. 1975.

(5) Paragraph (4) above applies to state and state-administered county and municipal sellers use taxes collected by the license holder on or after June 1, 2001. For the reporting periods prior to June 1, 2001, a discount of 3 percent of the tax due was allowed for timely payment of seller's use tax.

(6) Every purchaser liable to report and pay the state use tax shall prepare and forward to the Department, within the time prescribed by law, a state consumer's use tax return for each calendar tax reporting period using forms furnished by the Department and shall pay to the Department the amount of tax shown to be due. State Consumer's Use Tax returns shall require the following information:

(a) Taxpayer's tax account number, federal employer identification number, legal name, trade or business name, and complete address,

(b) Period covered by the return and due date of the return,

(c) A breakdown, by applicable tax rate, of the total purchase price of tangible personal property purchased outside Alabama for storage, use, or other consumption in Alabama,

(d) Totals, by applicable tax rate, of the items enumerated in (c) above,

(e) A breakdown, by otherwise applicable tax rates, of total deductions claimed,

(f) Measure of tax by applicable tax rate,

(g) Gross tax due by applicable tax rate,

(h) Total gross amount of tax due,

(i) Credit for taxes paid in another state,

(j) Penalties and interest due, if applicable, (k) Credit claimed,

(l) Total amount due,

(m) Total amount remitted,

(n) An indication if payment of tax is made through electronic funds transfer (EFT), and

(o) Signature of the taxpayer or the taxpayer's duly authorized agent and the date signed.

(7) No discount is allowed for timely payment of state consumer's use tax.
Author: Donna Joyner
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-31, 40-23-61, 40-23-63, 40-23-68, 40-23-77,40-23-83; Act No. 2001-669 and Executive Order No. 54.
History: **New Rule:** Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed September 15, 1998; effective October 20, 1998. **Amended:** Filed August 30, 2001; effective October 4, 2001.

810-6-5-.20 Services Furnished In Rooms Or Other Lodgings (Repealed 4/29/02).

(Repealed)
Author: Donna Joyner
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26-19.
History: **Repealed:** Filed March 25, 2002; effective April 29, 2002.

810-6-5-.21 Lodgings And Programs Provided For Children, Students, Or Members Or Guests Of Nonprofit Organizations By Camps, Conference Centers, And Similar Facilities.

(1) The definitions set forth in Code of Ala. 1975, Section 40-26-1(c), are incorporated by reference herein.

(2) The term "independent statutory exemption" as used in this regulation shall mean any statutory exemption or exclusion contained in Code of Ala. 1975 other than the exemptions contained in Code of Ala. 1975, Sections 40-26-1(b)(ii) and 40-26-1(b)(iii).

(3) The term "lodgings tax" as used in this regulation shall mean the tax levied in Code of Ala. 1975, Section 40-26-1(a).

(4) The term "similar facilities" as used in Section 40-26-1(b) and in this regulation shall not include commercial hotels, motels, inns, motor courts, and motor lodges.

(5) Camps, conference centers, or similar facilities operated by nonprofit organizations primarily for the benefit of, and in connection with, recreational or educational programs for children, students, or members or guests of other nonprofit organizations are not liable for lodgings tax with respect to fees, tuition, or other charges for rooms, lodgings, or accommodations supplied to children, students, or members or guests of nonprofit organizations in conjunction with recreational or educational programs. (Section 40-26-1(b)(ii))

(6) If during any calendar year 50 percent or more of the total gross receipts from fees, tuition, or other charges for rooms, lodgings, or accommodations are derived from sources other than recreational or educational programs for children, students, or members or guests of nonprofit organizations; a camp, conference center, or similar facility operated by a nonprofit organization will be liable for lodgings tax with respect to all receipts from furnishing rooms, lodgings, or accommodations regardless of to whom furnished, except those receipts which qualify under an independent statutory exemption, accruing from the date that rooms, lodgings, or accommodations were first furnished to persons other than children, students, or members or guests of nonprofit corporations and ending on December 31 of that same calendar year. (Section 40-26-1(b)(ii))

(7) Privately operated camps, conference centers, or similar facilities that provide lodging and recreational or educational programs exclusively for the benefit of children, students, or members or guests of nonprofit organizations are not liable for lodgings tax with respect to fees, tuition, or other charges for rooms, lodgings, or accommodations supplied to children, students, or members or guests of nonprofit organizations in conjunction with recreational or educational programs. (Section 40-26-1(b)(iii))

(8) A privately operated camp, conference center, or similar facility which during any calendar year provides rooms, lodgings, or accommodations to any persons other than children, students, or members or guests of nonprofit organizations is liable for lodgings tax with respect to all receipts from furnishing rooms, lodgings, or accommodations regardless of to whom furnished, except those receipts which qualify under an independent statutory exemption, accruing form the date that rooms, lodgings, or accommodations were first furnished to persons other than children, students, or members or guests of nonprofit corporations through December 31 of that same calendar year. (Section 40-26-1(b)(iii))

(9) The lodgings tax is applicable to charges by both nonprofit and privately operated camps, conference centers, or similar facilities for rooms, lodgings, or accommodations not provided in connection with recreational or educational programs for the benefit of children, students, or members or guests of non-profit organizations unless the charges qualify under an independent statutory exemption. (Section 40-26-1(a))

(10) The exemptions contained in Code of Ala. 1975, Sections 40-26-1(b)(ii) and 40-26-1(b)(iii), if otherwise available, shall not be lost if one or more members or guests of the nonprofit organization themselves pay all or a portion of the charges for rooms, lodgings, or accommodations furnished on behalf of the nonprofit organization, provided the nonprofit organization is the named sponsor of the recreational or educational program and

remains liable for any such charges not paid by its members or guests.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-26-19, 40-2A-7(a)(5), 40-26-19.
History: Repealed and Replaced: Filed November 5, 1996; effective December 9, 1996.

810-6-5-.22 Lodgings Tax Returns.

(1) The term "Alabama Mountain Lakes area" shall mean the geographic region comprising the north Alabama counties of Blount, Cherokee, Colbert, Cullman, DeKalb, Etowah, Franklin, Jackson, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, and Winston.

(2) The term "Department" as used in this regulation shall mean the Department of Revenue of the State of Alabama.

(3) The term "lodgings tax" as used in this regulation shall mean the privilege or license tax levied in Section 40-26-1, Code of Ala. 1975, which provides the tax rate applicable to the taxable receipts of the business units or locations located within the counties enumerated in paragraph (1) above, and the tax rate applicable to the taxable receipts of the business units or locations in all other Alabama counties.

(4) The lodgings tax shall be due and payable in monthly installments on or before the twentieth day of the month next succeeding the month in which the tax accrues. Every person, firm, or corporation on whom the lodgings tax is levied shall prepare and forward to the Department, within the time fixed and prescribed by law, a lodgings tax return for each calendar month using forms furnished by the Department and shall pay to the Department the amount of tax shown to be due. See Rule 810-1-6-.12 entitled Taxes Required to be Filed Electronically.

(5) Every person, firm, or corporation subject to the lodgings tax shall file only one state lodgings tax return for all business units or locations located within Alabama. The tax shall be broken down on the return by county location of each business unit or location, with the applicable tax rate and county code. When multiple business units are located in the same county, the amounts shall be combined and reported in aggregate for that county. See also Rule 810-6-5-.13 entitled Persons, Firms, and Corporations Subject to Lodgings Tax.

(6) Lodgings tax returns shall require the following information:

(a) Taxpayer's tax account number, legal name, and complete address,

(b) Period covered by the return and due date of the return,

(c) The County Name, County Code, and the applicable State Tax Rate for each county in which the person, firm, or corporation has business units or locations. The county codes and applicable tax rates can be obtained from the department's website, or by calling or writing the department.

(d) The total gross charges (both cash and credit), from the rental of rooms, lodgings, accommodations, and services furnished for the month, for each county location enumerated in (c) above,

(e) The total collections made during the month on credit charges heretofore claimed as a deduction, for each county location enumerated in (c) above,

(f) The total of the items enumerated in (d) and (e) above,

(g) Total deductions for each county location enumerated in (c) above,

(h) Net amount of (f) and (g) above remaining as measure of tax for each county location,

(i) Gross amount of tax due for each county location, resulting from (h) above multiplied by the applicable state tax rate specified in (c) above,

(j) Total of the gross amount(s) of tax due for all county business locations enumerated in (i) above,

(k) Applicable discount applied to (j) above for prompt payment of tax,

(l) Penalties and interest due on the tax in (j) above, if applicable,

(m) Credits claimed, if any,

(n) Total amount due from the result of (j), (k) or (l), and (m) enumerated above,

(o) Total amount remitted, and

(p) An indication if payment of tax is made through electronic funds transfer (EFT), and

(q) Taxpayer's signature, title, and date signed. Pursuant to department Rule 810-1-6-.01 entitled Signature Requirements of Tax Returns and Other Documents of All Types Filed by Electronic Methods, the taxpayer's signature and date requirements are met upon the submission of an electronic

return filed in accordance with Rule 810-1-6-.12 entitled Taxes Required to be Filed Electronically.

(7) The lodgings tax shall be administered and the tax shall be collected in accordance with the uniform procedures set forth in Title 40, Code of Ala. 1975, along with the procedures outlined in Sections 40-26-1, et seq.

Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26-19.
History: **New Rule:** Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed August 24, 2007; effective September 28, 2007.

810-6-5-.22.01 Collection and Reporting Requirements for Accommodations Intermediaries and Accommodations Providers.

(1) Definitions.

(a) ACCOMMODATIONS INTERMEDIARY. Any person, firm, or corporation, other than an accommodations provider, that facilitates renting, furnishing, lodging, or accommodation transactions subject to the tax levied under §40-26-1, Code of Ala. 1975, and charges a room fee or an accommodations fee to the customer, which it retains as compensation for such facilitation. Facilitating transactions include brokering, coordinating, or in any other way arranging for the purchase of the right to use accommodations via a transaction directly, including via one or more payment processors, between a customer and an accommodations provider.

(b) ACCOMMODATIONS PROVIDER. Any person, firm, or corporation, engaging in the business of transactions subject to the tax levied under §40-26-1, Code of Ala. 1975, that has an active lodgings tax account with the department and collects and remits lodgings tax on the accommodations that are rented directly by the owner of the accommodation.

(c) HOTEL. Any public lodging establishment that is owned by a single entity or person; contains 15 or more individual sleeping room accommodations; offers rental units with daily or weekly rates; has a central office on the property with specified hours of operation; has a bathroom for each rental unit; is recognized as a hotel in the community in which it is situated; and possesses a permit from the Alabama Department of Public Health to operate as a hotel.

(d) PROFESSIONAL PROPERTY MANAGEMENT COMPANY. A licensed real estate brokerage firm with a physical storefront location authorized and licensed under §34-27-30, Code of Ala. 1975, to engage in the business of property management services on behalf of property owners.

(e) ROOM CHARGE. The full retail price paid by the guest for an accommodation, including any accommodations fee and any other fees or charges. This includes the charge for the use or rental of personal property and services furnished in the room or accommodation.

(2) Collection and Remittance Requirements.

(a) Except as provided in paragraph (2)(b), the accommodations intermediary shall collect and remit the tax imposed by Chapter 26 of Title 40 for the facilitation of lodgings transactions subject to the tax levied under §40-26-1, Code of Ala. 1975, and parallel local levies, for transactions occurring on or after January 1, 2025. The tax shall be imposed on the room charge.

(b) When an accommodations intermediary facilitates the transaction on behalf of an accommodations provider, the taxes collected may be remitted to the accommodations provider, when there is an executed written agreement or contract specifying the responsible party for remitting such taxes.

(3) Annual Informational Report.

(a) Every accommodations intermediary and accommodations provider shall annually submit a report to the department that includes information for accommodations that were rented or furnished during the previous year. The annual informational report must be filed electronically by April 20 of the calendar year succeeding the year for which the annual informational report is provided. The first annual informational report is due no later than April 20, 2026.

(b) The annual informational report must include the following information for the previous calendar year:

1. The classification of either accommodations intermediary or accommodations provider.

2. The physical address of each accommodation that was rented or furnished greater than 14 days.

3. If any of the reported accommodations are made pursuant to an executed written agreement or contract specifying the responsible party for remitting the lodgings taxes, indicate which

accommodation(s) this includes and who the responsible party is for remitting the lodgings taxes on these transactions.

(4) Exemptions from Annual Informational Report. The following entities shall be exempt from the annual informational report described in paragraph (3):

(a) Professional property management companies that either collect and remit the tax levied under §40-26-1, Code of Ala. 1975, or manage properties leased for a month or more as the principal residence of the tenant.

(b) Hotels that collect and remit the tax levied under §40-26-1, Code of Ala. 1975.

(c) A destination marketing organization whose primary purpose is the promotion of tourism and receives funding from taxes collected and remitted pursuant to §40-26-1, Code of Ala. 1975.

(d) Providers of accommodations defined under §40-26-1(d), Code of Ala. 1975, such as marine slips, tent camping, and RV parks, that collect and remit the tax levied under §40-26-1, Code of Ala. 1975.

Author: Christy Vandevender
Statutory Authority: §§ 34-27-30, 40-2A-7(a)(5), 40-2A-11, 40-23-1, 40-26-1, and 40-26-1.1, Code of Ala.1975
History: New Rule: Published December 31, 2024; effective February 14, 2025.

810-6-5-.23 Temporary Storage And The Use Tax Law.

(1) Code of Ala. 1975, §40-23-60(7), defines storage to mean, "any keeping or retention in this state for any purpose except sale in the regular course of business or subsequent use solely outside this state".

(2) In the court case State v. Toolen, 277 Ala., 120, 167 So. 2d 546 (1964), the court states that the tax liability attaches after the act of transportation ends and the property comes to rest in this state for use or consumption unless there is a contractual intent to the contrary.

(3) In order for property to be claimed as tax free because of temporary storage for use solely outside of Alabama, records must reflect that it was the intent of the purchaser to use the property in another state at the time of its coming to rest in Alabama. Also, records must reflect that, in fact, the property was removed from Alabama.

(4) The qualified seller is required to collect tax on all retail sales in Alabama. If it is determined by the purchaser's records that temporary storage applies, the Department will process a petition for refund or allow credit for any overpayment of use tax on the subsequent use tax liability.

(5) No credits are to be allowed for property shipped out of state when such property is drawn from general stock. §40-23-60(7)

(6) The temporary storage provisions outlined in this rule apply to all municipalities and counties as defined in the Local Tax Simplification Act of 1998, Act 98-192. Section 111-51-204, Code of Ala. 1975, provides that local governing bodies interpretations, rules, and regulations shall not be inconsistent with any rule and regulation which may be issued or promulgated by the Department of Revenue from time to time pursuant to the Alabama Administrative Procedure Act, for the corresponding state tax.

Author: Joe Walls
Statutory Authority: Code of Ala. 1975, §§11-51-204, 40-2A-7(a)(5), 40-23-83.
History: (Adopted March 9, 1961. **Amended:** January 9, 1969, February 16, 1978, June 12, 1978, September 22, 1978; readopted through APA October 1, 1982). Filed July 20, 1990; certification filed November 1, 1990; effective December 6, 1990. **Amended:** Filed July 26, 2001; effective August 30, 2001.

810-6-5-.24 Reserved.
Author:
Statutory Authority:
History:

810-6-5-.25 Used Property Brought Into Alabama For Use By Owner.

(1) Where the owner of tangible personal property has purchased such property for use outside of Alabama and has, in fact, used it outside of Alabama, no use tax will be due by the owner because of later storage, use or consumption of it in Alabama. The proof of a real and substantial use of the property in another state shall rest upon the purchaser. (§40-23-61(a))

(2) Section 40-23-61(e) levies an excise tax on the storage, use or other consumption in the performance of a contract in this state of any tangible personal property, new or used, the tax to be measured by the sales price or the fair and reasonable market value of such tangible personal property when put into use in this state, whichever is less. The rates of tax are the rates imposed

on classes of property as specified in Section 40-23-61(a), (b), and (c). (Section 40-23-61(e))

(3) Credit will be allowed against the tax due Alabama for legally imposed sales or use taxes paid with respect to the same property to another state or any subdivision thereof. (See rule 810-6-5-.04, Credit For Taxes In Other States.)
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-83, 40-27-1.
History: Readopted under APA October 1, 1982; Filed December 20, 1988; effective January 24, 1989. **Amended:** Filed February 26, 1996; effective April 1, 1996.

810-6-5-.26 Utility Privilege Or License Tax.

(1) Unless otherwise defined herein, the definitions of terms set forth in Section 40-21-80, Code of Ala. 1975, are incorporated by reference herein.

(2) Section 40-21-82, Code of Ala. 1975, levies a privilege or license tax against every utility in the State of Alabama on account of the furnishing of utility services by said utilities.

(a) The amount of tax levied on the furnishing of electricity, domestic water, and natural gas services shall be determined by the application of rates against gross sales or gross receipts, as the case may be, and shall be computed monthly in accordance with the following table:

If monthly gross sales or gross receipts respecting a person are:	The tax is:
Not over $40,000	4% of such gross sales or gross receipts
Over $40,000 but not over $60,000	$1,600 plus 3% of excess over $40,000
Over $60,000	$2,200 plus 2% of excess over $60,000

(b) For periods prior to April 1, 2002, the amount of tax levied on the furnishing of telegraph and telephone services shall be determined by the application of rates against gross sales or gross receipts, as the case may be, and shall be computed monthly in accordance with the following table:

If monthly gross sales or gross receipts respecting a person are:	The tax is:
Not over $60,000	6.7% of such gross sales or gross receipts
Over $60,000	

	$4,020 plus 3.7% of excess over $60,000

1. Beginning with bills dated on or after April 1, 2002, Act #2001-1090 amended Section 40-21-82(b), Code of Ala. 1975, which provides that the amount of tax levied on the furnishing of telegraph and telephone services shall be computed at the rate of 6% on all gross sales or gross receipts.

2. Act #2001-1090 further provides that on or after February 1, 2002, the utility furnishing such telegraph or telephone services shall be entitled to deduct and retain from the gross amount of tax billed by the utility 9/10 of 1% of the amount of such tax billed in consideration of the costs incurred by the utility in collecting and remitting the tax levied by Section 40-21-82(b), Code of Ala. 1975. However, on and following October 1, 2002, the amount deducted and retained by such utility shall be 1/4 of 1% of the gross amount of such tax billed.

(3) Telephone and Telegraph Services

(a) The gross sales or gross receipts from the furnishing of telegraph and telephone services are taxable pursuant to Section 40-21-82(b), Code of Ala. 1975.

(b) The term "telephone services" is defined in Section 40-21-80(a)(11), Code of Ala. 1975. and specifically includes the following which shall be included in the measure of the tax levied in Section 40-21-82(b), Code of Ala. 1975:

1. Local telephone service;

2. Intrastate toll telephone service;

3. Private communications service;

4. Teletypewriter, and computer exchange service;

5. Telephone services sold by motels and hotels to their customers or to others, telephone services sold by colleges and universities to their students or to others, and telephone services sold by hospitals to their patients or to others;

6. Beginning with bills dated on or after February 1, 2002, interstate telephone service which originates or terminates within this state but does not both originate and terminate in this state and is charged to a service address in this state. (Act #2001-1090)

(c) The term "telephone services" shall not include the following and as such shall not be included in the measure of the tax levied in Section 40-21-82(b), Code of Ala. 1975:

1. Telephone services provided through any pay telephone;

2. Any excise, franchise, or similar tax or like fee or assessment levied by the United States, by the state of Alabama, or by any political subdivision of the state of Alabama upon the purchase, sale, use, or consumption of any telephone services provided it is collected by the seller from the purchaser and is separately billed to the purchaser;

3. The furnishing of any telephone services for resale including access charges paid by an interexchange carrier. Any utility making a sale of telephone services for resale shall obtain from the purchaser a copy or record of the purchaser's utility tax license issued to the purchaser by the Department pursuant to Section 40-21-84, Code of Ala. 1975, or a copy of a utility tax certificate of exemption (Form STE-3) issued to the purchaser by the Department pursuant to Section 40-21-88, Code of Ala. 1975, and Rule 810-6-5-.26.05;

4. Charges for customer premises equipment, including such equipment that is leased or rented by the customer from any source;

5. Cable television service, paging services, specialized mobile radio, or mobile telecommunications service;

6. Services which are ancillary to the provision of telephone service but are not directly related to the transmission of voice, data, or information such as directory advertising and installation and repair of equipment and inside wiring;

7. Internet access charges;

8. Prior to February 1, 2002, charges made for telephone calls and telegraphic messages originating within this state to a point outside of this state, or originating outside of this state to a point within this state, provided the charges were clearly indicated on a statement given to the customer;

9. The use or consumption of telephone service by an incorporated municipality in providing a fire alarm system;

10. Telephone service or telegraph service used or consumed by a utility regularly engaged in furnishing such service to persons.

11. The furnishing of utility services through the use of a prepaid telephone calling card.

(d) Beginning with bills dated on or after May 5, 2004, charges for nontaxable services combined or bundled with and not separately stated from taxable charges for telephone or telegraph services are subject to taxation, unless the exempt charges can be reasonably identified in the books and records kept in the regular course of business by the utility provider.

(e) The provisions of subsection (d) do not create any right for the customer to require that either the utility or the department allocate or attribute the bundled charge to the different portions of the transaction in order to reduce or minimize the amount of tax charged to the customer.

(4) Domestic Water

(a) The gross sales or gross receipts from the furnishing of domestic water are taxable pursuant to Section 40-21-82(a), Code of Ala. 1975.

(b) "Domestic water" shall mean all water except water that is sold to persons for use or consumption in industrial processes and not primarily for human consumption. Water used in industrial processes shall mean water used by any person in the manufacturing, processing, compounding, mining or quarrying of tangible personal property for sale. Where water is used for both human consumption and industrial processing and more than 50 percent of the total water purchased is used in industrial processing, the gross receipts from the sale of the water would not be taxable. Where less than 50 percent is used for industrial processing and more than 50 percent is used for human consumption, the total gross receipts from the sale of water would be taxable.

(c) The use or consumption of domestic water by an incorporated municipality in extinguishing fires, explosions, or conflagrations is not taxable. (Section 40-21-83(8), Code of Ala. 1975)

(d) Water used or consumed by a water board created under Sections 11-50-310, et seq., Code of Ala. 1975, as amended, which is engaged in furnishing water to persons is not taxable.

(e) Water used or consumed by a municipal utility department or an independent municipal utility board which is engaged in

furnishing water to persons is not taxable. Water furnished by a municipal utility department or an independent municipal utility board to other departments or agencies of the same municipality is taxable.

(f) Water used or consumed by private water systems engaged in furnishing water to persons is not taxable.

(g) The sale of water by a board (created under Sections 11-50-310, et seq., Code of Ala. 1975, as amended) to an incorporated municipality is taxable except water used in extinguishing fires, explosions, or conflagrations.

(h) Domestic water used or consumed by any person in or for the direct production, generation, processing, storage, delivery, or transmission of domestic water, electricity, and natural gas is not taxable. (Section 40-21-83(4), Code of Ala. 1975)

(5) Electricity and Natural Gas

(a) The gross sales or gross receipts from the furnishing of electricity and natural gas are taxable pursuant to Section 40-21-82(a), Code of Ala. 1975.

(b) The use or consumption of electricity by an incorporated municipality or a board or corporation organized under the authority of any incorporated municipality in furnishing or providing street lighting or traffic control systems is not taxable. (Section 40-21-83(8), Code of Ala. 1975)

(c) Electricity and natural gas used or consumed by any person in or for the direct production, generation, processing, storage, delivery, or transmission of electricity, natural gas, or domestic water are not taxable. (Section 40-21-83(4), Code of Ala. 1975)

(d) The furnishing of electricity to a manufacturer or compounder for use in an electrolytic or electrothermal manufacturing or compounding process, natural gas which becomes a component of tangible personal property manufactured or compounded (but not as fuel or energy), and natural gas used by a manufacturer or compounder to chemically convert raw materials prior to the use of such converted raw materials in an electrolytic or electrothermal manufacturing or compounding process are not taxable.

(e) Electricity and natural gas used or consumed by an electric board or gas board created under Sections 11-50-310, et seq., Code of Ala. 1975, as amended, which is engaged in furnishing such utility services to persons are not taxable.

(f) Electricity and natural gas used or consumed by a municipal utility department or an independent municipal utility board which is engaged in furnishing such utility services to persons are not taxable. Electricity and natural gas furnished by a municipal utility department or an independent municipal utility board to other departments or agencies of the same municipality are taxable.

(g) Electricity and natural gas used or consumed by private utilities engaged in furnishing such utility services to persons are not taxable.

(h) The sale of electricity by a board created under Sections 11-50-310, et seq., Code of Ala. 1975, as amended, to an incorporated municipality is taxable except electricity used in furnishing or providing street lighting or traffic control systems.

(i) The sale of natural gas by a board created under Sections 11-50-310, et seq., Code of Ala. 1975 to an incorporated municipality is taxable.

(j) "Electrolysis" is the passage of an electric current through a conducting solution or molten salt (either is a type of electrolyte) which then dissociates. Various substances are prepared commercially by electrolysis; for example, chlorine (from salt), hydrogen (from water), and aluminum (from alumina). An "electrolyte" chemically, is a conductor in which the electric current is a movement of ions. Electrolysis is also used in the medical profession. "Electrothermal" means heat produced by electricity. Electric furnaces are used for making large quantities of high grade steel; they are especially used in making high grade alloy steels.

(k) A person, firm, or corporation that transports natural gas purchased by their customer from a third party is not liable for utility tax on their gross receipts from furnishing such transportation services.

1. Electricity or natural gas used or consumed as fuel or energy in commercial aquaculture aeration systems, commercial greenhouses, pivot irrigation systems, and poultry houses is not taxable.

2. The exclusion provided in (l)1 shall not include the furnishing of natural gas or electricity for use or consumption as fuel or energy in the production of industrial hemp or hemp, as defined in Section 2-8-381, Code of Ala. 1975, or cannabis, as defined in Section 20-2A-3, Code of Ala. 1975.

(6) Alabama Economic Incentive Enhancement Act of 2007

(a) An entity locating in Alabama subsequent to December 31, 2006 and qualifying for the tax abatements created by Act # 2007-199 under new Chapter 9D of Title 40 of Code of Ala. 1975 known as the "Alabama Economic Incentive Enhancement Act of 2007", shall be allowed an exclusion for a period of ten years from the utility tax levied in Section 40-21-82(a), Code of Ala. 1975, on purchases of electricity, natural gas, and domestic water. Entities qualifying for this exemption shall obtain a State Utility Tax Certificate of Exemption (Form STE-3) by applying for the certificate on forms provided by the Department. (See Rule 810-6-5-.26.05 entitled Utility Gross Receipts Tax or Mobile Communication Services Tax Certificate of Exemption (Form STE-3) - Responsibilities of the Certificate Holder - Burden of Proof - Liability for Taxes Later Determined to be Due.)

(b) Pursuant to Section 40-9B-3(a)(8), Code of Ala. 1975, the beginning date of the ten year period exclusion shall commence from:

1. The date of initial issuance by a county, city, or public authority of bonds to finance any costs of the property, or

2. If no bonds are ever issued, the later of:

i. The date on which title to such property was acquired by or vested in such county, city, or public authority, or

ii. The date on which such property is or becomes owned, for federal income tax purposes, by the qualifying entity

3. Or, the date the property (facility) is placed in service.

(c) The existing utility tax exemption specified in paragraph (4)(b) of this Rule on total purchases of water where more than 50 percent of the water is used in industrial processing does not limit the exemption to a specified number of years. An entity qualifying under Chapter 9D of Title 40 may qualify for this existing exemption.

(d) The exclusion from utility tax provided in paragraph (6)(a) of this rule and the provisions thereof shall apply equally to the Utility Service Use Tax levied on electricity, natural gas, and domestic water.

(7) Consolidation by a Single Entity of Multiple Monthly Bills from Any One Utility Service Provider of Electricity, Domestic Water, or Natural Gas Services

(a) The taxes levied in Sections 40-21-82 and 40-21-102, Code of Ala. 1975, are structured such that, when a person who is furnished electricity, domestic water, or natural gas services is receiving more than one bill from any one utility for such services, respective of a month, and the aggregate of the purchase price of utility services furnished by the utility exceeds forty thousand dollars ($40,000) for the month, the tax calculated on the separate billings may exceed the tax due.

1. When a person purchasing utility services and receiving more than one bill each month from any one utility for such services has paid to the utility more tax on the billings than is due on the aggregate of the purchase price of utility services furnished for the month by the utility, the person may apply for a refund of the overpayment in accordance with the procedures outlined in Section 40-2A-7, Code of Ala. 1975.

2. When a person purchasing utility services and receiving more than one bill each month from any one utility for such services desires to pay the utility privilege license tax computed upon the aggregate of the purchase price of utility services furnished for the month by the utility, the person may apply for a permit from the Department of Revenue, purchase the utility services without the payment of the tax to the utility, and remit the tax directly to the Department in accordance with the procedures outlined in Rule 810-6-5-.26.02. Utility Tax Direct Pay Permit.

(b) For the purposes of the taxing statutes in Title 40, Code of Ala. 1975, a single member limited liability company is classified in the same manner as it is for federal income tax purposes. Unless the single member limited liability company has made the election to be treated as a corporation under the Internal Revenue Service's "check-the-box" regulations, it is disregarded as an entity separate from its owner. A person who is the single member of one or more limited liability companies that are classified as disregarded entities may consolidate the purchases of utility services made by the companies from any one utility with the purchases made by the person from that utility, respective of a month, and compute the utility tax on the aggregate as though the purchases made by the limited liability companies were made directly by the single member, as outlined in paragraph (a)2. Prior to consolidation, documentation must be provided to the Department to clearly establish ownership of each limited liability company and its status for federal income tax purposes. (Section 10-12-8(b), Code of Ala. 1975.)

(8) General Provisions

(a) Where a discount is deductible from the gross charge for a utility service if payment is made within a prescribed period, the tax applies to the amount actually paid.

(b) Receipts from (i) standard collection charges, which are flat-amount administrative fees charged to cover the cost of sending a customer a delinquent billing letter; (ii) reconnect fees, which are fees charged for reconnecting a utility service after someone has moved from one location to another or after service has been disconnected because of nonpayment for services; (iii) collection fees, which are fees charged when a utility must send a collector to a utility customer to attempt to collect payment on a utility service billing prior to disconnecting service; and (iv) charges or fees added for failure to timely pay utility bills, whether the charge or fee is a flat amount or is based upon a percentage of the bill which was not timely paid, do not constitute gross sales or gross receipts from furnishing utility services and, therefore, are not taxable. (State of Alabama v. Muscle Shoals Electric Board (Admin. Law Div. Docket No. S. 93-286, decided November 4, 1993) and State Department of Revenue v. Mobile Gas 621 So.2d 1333 (Ala. Civ. App. 1993))

(c) Any person engaged or continuing in the business of furnishing taxable and nontaxable utility services to a customer shall pay the tax required on the taxable services furnished when his or her books are kept so as to show separately the taxable utility services furnished and the nontaxable utility services furnished. When the books are not so kept, the person furnishing the utility services shall pay tax on the total gross receipts of all utility services furnished. This would require separate meters for taxable and nontaxable services furnished; estimates will not be acceptable. (Shellcast Corp. v. White, 477 So.2d 422 (Ala. 1985))

(d) In case a customer of a utility claims an exemption, the applicability of which there is some doubt, either the utility or the customer may request from the Department a determination of the validity of the claim for the exemption.

(e) The tax levied in Section 40-21-82, Code of Ala. 1975, shall apply to all utility services furnished for use by the State of Alabama, the counties within the State of Alabama, and any other person or entity previously exempt from all taxation. The tax levied under this section shall apply to utility services furnished for use by incorporated municipalities of the State of Alabama except the exemptions noted in previous paragraphs. The tax levied under this section shall not apply to utility services furnished to the Federal Government and its agencies. Utility services furnished to national banks are taxable.

(f) Any person regularly engaging in any business for which a privilege tax is imposed by Section 40-21-82, Code of Ala. 1975, shall apply for and obtain from the Department a license to engage in and to conduct such business on forms furnished by the Department. The application for a utility tax license shall require the following information:

1. Applicant's Federal Employer Identification Number,

2. Applicant's legal name, trade name, and complete mailing address,

3. Number of businesses in Alabama and exact location of each (exact location shall include city, county, and street address; if location is on highway or rural route, exact location shall include details sufficient to allow Department personnel to find the place of business),

4. Indication of the kind and class of business (i.e. domestic water, natural gas, electricity, telephone services, and/or telegraph services,

5. Indication of the legal form of ownership (sole proprietorship, partnership, corporation, multi-member limited liability company, single-member limited liability company, limited liability partnership, etc.),

6. If the applicant is a corporation, a copy of the certified certificate of incorporation, amended certificate of incorporation, certificate of authority, or articles of incorporation; if the applicant is a limited liability company or a limited liability partnership, a copy of the certified articles of organization,

7. Name, title, home address, and social security number of the sole proprietor, each partner, each corporate officer, or each member (for a partner or member that is a corporation or limited liability entity, the federal employer identification number shall be requested in lieu of a social security number)

8. Name of former owner of business, if any, 9. Beginning date of business,

10. Business and home phone numbers, and

11. Signature and title of the sole proprietor, each partner, an elected corporate officer, or a member and the date of the signature.

(g) The taxes levied under Sections 40-21-82 and 40-21-102, Code of Ala. 1975, shall be due and payable in monthly

installments on or before the twentieth day of the month next succeeding the month in which the tax accrues. Every person, firm, or corporation on whom these taxes are levied shall prepare and forward to the Department within the time fixed and prescribed by law a return for each calendar month using forms prepared and furnished by the Department, and shall pay to the Department the amount of tax shown to be due. See Rule 810-1-6-.12 entitled Taxes Required to be Filed Electronically. Each taxpayer shall file only one return for all units of businesses operated within the state. Any taxpayer liable for utility tax whose average monthly tax liability was $10,000 or greater during the preceding calendar year shall make estimated payments to the Department on or before the twentieth day of the month in which the liability occurred. Such estimated payments must be at least equal to the taxpayer's actual tax liability for the same calendar month of the preceding year. (Section 40-21-85, Code of Ala. 1975) Beginning with the October 2011 return due November 20, 2011, the term "actual tax liability" as used herein shall not include the estimated amounts reported on the return from the previous year.

1. Utility Privilege License Tax returns shall require the following information:

(i) Taxpayer's utility privilege license tax account number, legal name, and complete address,

(ii) Period covered by the return and due date of the return,

(iii) Estimated tax due for the current month, if applicable, must be at least equal to line 7 (Total Utility Tax Due) of the return for the same calendar month of the previous year,

(iv) A breakdown, by utility service type, of total receipts, exempt receipts, and taxable receipts from furnishing utility services,

(v) A breakdown, by applicable tax rate, of the number of persons from whom taxable receipts were received, the amount of such receipts, and the tax due thereon,

(vi) Total tax due,

(vii) Estimated tax paid on previous month's return, if applicable,

(viii) Tax due after deducting credit for previous month's estimate,

(ix) Grand total tax due (total tax due plus current month's estimate, if applicable),

(x) Penalties and interest due, if applicable,

(xi) Credits claimed, if any,

(xii) Total amount remitted,

(xiii) An indication if payment of tax is made through electronic funds transfer (EFT), and

(xiv) Taxpayer's signature, title, and date signed. Pursuant to department Rule 810-1-6-.01 entitled Signature Requirements of Tax Returns and Other Documents of All Types Filed by Electronic Methods, the taxpayer’s signature and date requirements are met upon the submission of an electronic return filed in accordance with Rule 810-1-6-.12 entitled Taxes Required to be Filed Electronically.

2. Utility Excise Tax returns shall require the following information:

(i) Taxpayer's utility excise tax account number, legal name, and complete address,

(ii) Period covered by the return and due date of the return,

(iii) Estimated tax due for the current month, if applicable, must be at least equal to line 5 (Total Tax Due) of the return for the same calendar month of the previous year,

(iv) A breakdown, by vendor, of taxable purchases and the tax due thereon,

(v) Total tax due on all taxable purchases,

(vi) Estimated tax paid on previous month's return, if applicable,

(vii) Total tax due after deducting credit for previous month's estimate,

(viii) Grand total tax due (total tax due plus current month's estimate, if applicable),

(ix) Penalties and interest due, if applicable, (x) Credits claimed, if any,

(xi) Total amount remitted,

(xii) An indication if payment of tax is made through electronic funds transfer (EFT), and

(xiii) Taxpayer's signature, title, and date signed. Pursuant to department Rule 810-1-6-.01 entitled Signature Requirements of Tax Returns and Other Documents of All Types Filed by Electronic Methods, the taxpayer's signature and date requirements are met upon the submission of an electronic return filed in accordance with Rule 810-1-6-.12 entitled Taxes Required to be Filed Electronically.

(h) Every person engaged in the business of furnishing utility services shall add the tax levied in Section 40-21-82, Code of Ala. 1975, to the gross receipts from furnishing such services and include the tax as a part of the total price billed to the purchaser of the services. (Section 40-21-86, Code of Ala. 1975)

(i) A utility service provider is not required to collect utility tax from a purchaser who claims an exemption from the tax and, as documentation of the exemption claim, furnishes the utility service provider a properly executed utility tax certificate of exemption (Form STE-3) issued by the Department pursuant to Rule 810-6-5-.26.05. The utility service provider who relies in good faith on the Form STE-3 and reasonably believes the tax exemption claim is legal shall not be held liable for utility tax later determined by the Department to be due on the sale for which the certificate was received. Instead, the Department will collect or recover the utility tax due from the party or parties who made the illegal tax-free purchase with the Form STE-3 and the person or persons who benefited from the illegal use of the Form STE-3. (Section 40-21-88, Code of Ala. 1975).

(j) The utility gross receipts tax shall be administered and the tax shall be collected in accordance with the uniform procedures set forth in Title 40 along with the procedures outlined in Sections 40-23-8 through 40-23-12, 40-23-25, and 40-23-27 through 40-23-31, Code of Ala. 1975, as amended, together with the applicable definitions contained in Section 40-23-1, Code of Ala. 1975, as amended. No discount is allowed for prompt payment of the utility gross receipts tax. However, Act #2001-1090 amended Section 40-21-82(b), Code of Ala. 1975, which provides that a utility furnishing telephone and telegraph services is entitled to a collection allowance effective February 1, 2002 as stipulated in paragraph (2)(b) of this rule. (Section 40-21-85, Code of Ala. 1975)

(k) Insofar as applicable, the provisions of this rule shall apply equally to the tax levied in Section 40-21-102, Code of Ala. 1975. In the event that a seller making sales of utility services for storage, use, or other consumption in this state,

not exempted under the provisions of Section 40-21-103, Code of Ala. 1975, is exempted from collection of the tax herein levied by any provisions of the Constitution or laws of the United States of America, then the purchaser of the utility services shall pay the tax directly to the Department each month pursuant to this rule.

Author: Deborah Lee, Ginger Buchanan, Christy Vandevender
Statutory Authority: §§40-2A-7(a)(5), 40-9B-3(8),40-21-80, 40-21-82, 40-21-82.1, 40-21-83, 40-21-84, 40-21-85, 40-21-86, 40-21-88, 40-21-102, 40-21-103, 40-21-104, 40-21-105, 40-21-106, 40-23-31, 40-23-100, 40-23-102, 40-23-103, Code of Ala. 1975; Act No. 2001-1090, Act No. 2007-199.
History: (Adopted July 14, 1969. **Amended:** September 18, 1969; March 9, 1970; June 18, 1971. Readopted through APA effective October 1, 1982. **Amended:** Filed February 5, 1988, March 11, 1988.) **Amended:** Filed November 18, 1993, effective December 23, 1993. **Amended:** Filed April 15, 1994; effective May 20, 1994. **Amended:** Filed December 1, 1995; effective January 5, 1996. **Amended:** Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed November 23, 1998; effective December 28, 1998. **Amended:** Filed March 2, 2000; effective April 6, 2000. **Amended:** Filed April 19, 2002; effective May 24, 2002. **Amended:** Filed August 31, 2004; effective October 5, 2004. **Amended:** Filed November 9, 2007; effective December 14, 2007. **Amended:** Filed March 2, 2009; effective April 6, 2009. **Amended:** Filed November 3, 2011; effective December 8, 2011. **Amended:** Published August 31, 2026; effective October 15, 2026.

810-6-5-.26.01 Mobile Communication Services Tax.

(1) Unless otherwise defined herein, the definitions of terms set forth in Sections 40-21-120 and 40-21-125, Code of Ala. 1975, as per Act #2001-1090, are incorporated by reference herein.

(a) Although Section 40-21-125, Code of Ala. 1975, was created as a result of Section 2 of Act #99-399, Section 2 of Act #2001-1090 erroneously refers to Section 40-21-125 as a "new section added to Code of Ala. 1975." Upon codification of this section by the Code Commissioner, this section may be corrected and codified as a different code section. Until such codification and corresponding rule amendments are made, this rule implies that Section 40-21-125 contains the provisions of Section 2 of both Act #99-399 and Act #2001-1090.

(2) Section 40-21-121, Code of Ala. 1975, levies a privilege or license tax against every home service provider doing business in the State of Alabama on account of the furnishing of mobile telecommunications service to customers with a place of primary use in the State of Alabama. Effective February 1, 2002, Section 40-21-125, Code of Ala. 1975, levies a tax on mobile radio

communication services at the same rate as the tax levied in Section 40-21-121. (Act #2001-1090)

(3)(a) For bills dated prior to February 1, 2002, the tax was to be determined by the application of rates against gross sales or gross receipts, as the case may have been, from the monthly charges from the furnishing of cellular telecommunication services in the State of Alabama and computed monthly in accordance with the following table:

If monthly gross sales or gross receipts respecting a person are:	The tax is:
*Not over $600,000	4% of such gross sales or gross receipts
*Over $600,000	$4,020 plus 3.7% of excess over $60,000

*Note: Act #92-623 amended Sections 40-21-121 and 40-21-82, Code of Ala. 1975, effective October 1, 1992. Section 40-21-121 clearly stated that the rate was 4%, or, if less, the rate imposed under Section 40-21-82(b). Therefore, the tax on receipts up to $600,000 were determined under Section 40-21-121, and the tax on receipts in excess of $600,000 were determined under Section 40-21-82(b).

(b) Act #2001-1090 amended Section 40-21-121 and provides that on bills dated on or after February 1, 2002, regardless of when the services being billed were provided, the tax shall be determined by the application of rates against gross sales or gross receipts, as the case may be, from the monthly charges from the furnishing of mobile telecommunications service to customers with a place of primary use in the State of Alabama and shall be computed monthly at the rate of 6%.

(4) Every home service provider of mobile telecommunications service and mobile radio communication services subject to this tax shall add the tax to the price or charge for the taxable services and shall collect from every customer an amount equal to the prescribed percentage of the price or charge for the taxable services.

(5) Act #2001-1090 further provides that the home service provider furnishing such mobile telecommunications service shall be entitled to deduct and retain from the gross amount of tax billed by the home service provider 9/10 of 1% of the amount of such tax billed on or after February 1, 2002, in consideration of the costs incurred by the home service provider in collecting and remitting the tax levied by Section 40-21-121. However, on and following October 1, 2002, the amount deducted and retained by such provider shall be 1/4 of 1% of the gross amount of such tax billed.

(6) The terms "mobile telecommunications service" and "mobile radio communication services" are defined in Sections 40-21-120(1)(a) and 40-21-125, respectively, as defined in 47CFR20.3 as in effect on June 1, 1999, as per Act #2001-1090. These terms may be referred to in this rule collectively as mobile communication services. Mobile communication services include, but are not limited to, the following services which the monthly charges for such services shall be included in the measure of the tax levied in Section 40-21-121 provided these services are mobile services that (i) are provided for profit, (ii) are an interconnected service, and (iii) are available to the public:

(a) cellular telecommunications service,

(b) personal communications service,

(c) specialized mobile radio service,

(d) mobile service that is the functional equivalent of a commercial mobile radio service,

(e) one-way and two-way radio communications service,

(f) paging/beeper services.

(7) Section 40-21-122 specifically excludes the gross receipts or gross sales from the tax levied in Section 40-21-121 for the following:

(a) the furnishing of mobile telecommunications service which is otherwise taxed under the provisions of Sections 40-23-1 through 40-23-36;

(b) the furnishing of mobile telecommunications service through the use of a prepaid telephone calling card, a prepaid authorization number, or both;

(c) the furnishing of mobile communication services to the Federal Government and its agencies. However, the tax levied in Section 40-21-121 shall apply to mobile communication services furnished for use by the State of Alabama, the counties within the State of Alabama, and the incorporated municipalities of the State of Alabama;

(d) wholesale sales.

(8) In order for a transaction to qualify for the wholesale exclusion contained in Section 40-21-122, the purchaser of the mobile communication services must furnish the home service provider with either a valid mobile communication services tax account number issued by the Department and a written statement that the services purchased are for resale, or a valid mobile

communication services tax certificate of exemption (From STE-3) issued pursuant to Rule 810-6-5-.26.05. (Section 40-21-125)

(9)(a) For the period prior to February 1, 2002, the term "monthly charges" as used in this rule shall mean monthly recurring access charges and local airtime charges only.

1. Local airtime charges were those charges levied by the provider of cellular telecommunications services for usage of the cellular system and which charges were based on the period of time the customer used the cellular system during a billing period. Local airtime charges included out-collect roamer air charges but did not include in-collect roamer air charges.

2. In-collect roamer air charges meant airtime charges levied by a foreign cellular provider with respect to the use of the foreign provider's system by a local provider's customer while roaming in the foreign provider's area. Usually the local provider, as agent for the foreign provider, billed in-collect roamer air charges to its customer.

3. Out-collect roamer air charges meant airtime charges levied by a local cellular provider with respect to the use of the local provider's system by a customer of a foreign provider roaming in the local provider's area. Such charges may ultimately have been collected by the roaming customer's home provider based on billing information received from the provider whose system was utilized.

4. In situations where both the foreign provider and the local provider served Alabama markets, the local cellular provider was responsible for collecting and remitting the cellular services tax due on out-collect roamer air charges.

5. The term "monthly charges" did not include the following:

activation date charge

change phone number charge

change serial number charge

detailed billing charge

emergency service charge

feature activation charge

local land charge (a flat, per call charge)

monthly feature charge

NSF check service charge

rate plan charge

resume service charge

roamer land charge (a flat, per call charge)

feature deletion charge

federal excise taxes

in-collect roamer air charge

international call charge

interstate toll charge

intrastate toll charge

local directory assistance charge

long distance directory assistance charge

roamer surcharge (a per day and/or per call charge)

roamer taxes

service programming charge

start of service charge

suspend service charge

voice mail charge

(b) For customer bills dated on or after February 1, 2002, Act #2001-1090 provides that the term "monthly charges" as used in this rule shall mean monthly recurring access charges and all airtime charges, regardless of when the services being billed were provided. However, as a result of the Mobile Telecommunications Sourcing Act of 2000 (Public Law 106-252), monthly charges on customer bills issued during the period of February 1, 2002 through August 1, 2002, shall not include charges which cannot be sourced to Alabama.

1. The term "monthly charges" shall not include the following charges:

activation date charge

change phone number charge

change serial number charge

detailed billing charge

emergency service charge

feature activation charge

feature deletion charge

federal excise taxes

international call charge

local directory assistance charge

long distance directory assistance charge

monthly feature charge

NSF check service charge

rate plan charge

resume service charge

service programming charge

start of service charge

suspend service charge

interstate toll charge voice mail charge
intrastate toll charge

(10) As a result of the Mobile Telecommunications Sourcing Act of 2000,Act # 2001-1090 provides that effective for customer bills issued on or after August 2, 2002, monthly charges for mobile communication services provided to a customer and billed by or for the customer's home service provider are deemed to be provided at the customer's place of primary use. Such monthly charges are subject to the mobile communication services tax if the customer's place of primary use is located in this state.

(11) The term "home service provider" as used in this rule shall mean the facilities-based carrier or reseller with which the customer contracts for the provision of mobile communication services.

(12) The term "customer" as used in this rule shall mean the person or entity that contracts with the home service provider for mobile communication services. In the event the end user is not the contracting party, the end user of the mobile communication services will be used for purposes of determining the place of primary use. The term does not include a reseller of mobile communication services or a serving carrier under an arrangement to serve the customer outside the home service provider's licensed area.

(13) The term "licensed service area" as used in this rule shall mean the geographic area in which the home service provider is authorized by law or contract to provide mobile communication services.

(14) The term "place of primary use" as used in this rule shall mean the street address representative of where the customer's use of the mobile communication services primarily occurs, which must be the residential street address or the primary business street address and within the licensed service area of the home service provider.

(15) The term "reseller" as used in this rule shall mean a provider who purchases telecommunications services from another telecommunications service provider and then resells, uses as a component part of, or integrates the purchased services into a mobile telecommunications service. The term does not include a service carrier with which a home service provider arranges for the services to its customers outside the home service provider's licensed service area.

(16) The term "serving carrier" as used in this rule shall mean a facilities-based carrier providing mobile communication services to a customer outside a home service provider's or reseller's licensed service area.

(17) Any person engaging or continuing in the business of providing mobile communication services subject to the tax levied in Section 40-21-121, shall apply for and obtain from the Department a license to engage in and conduct such business. The application for a mobile communication services license shall be made on forms furnished by the Department. (Section 40-21-124)

(a) The application for a mobile communication services tax license shall require the following information:

1. Applicant's Federal Employer Identification Number,

2. Applicant's legal name, trade name, and complete mailing address,

3. Number of businesses in Alabama and exact location of each (exact location shall include city, county, and street address; if location is on highway or rural route, exact location shall include details sufficient to allow Department personnel to find the place of business),

4. Indication of the legal form of ownership (sole proprietorship, partnership, corporation, multi-member limited liability company, single-member limited liability company, limited liability partnership, etc.),

5. If the applicant is a corporation, a copy of the certified certificate of incorporation, amended certificate of incorporation, certificate of authority, or articles of incorporation; if the applicant is a limited liability company or limited liability partnership, a copy of the certified articles of organization,

6. Name, title, home address, and social security number of the sole proprietor, each partner, each corporate officer, or each member (for a partner or member that is a corporation or limited liability entity, the federal employer identification number shall be requested in lieu of a social security number),

7. Type of services provided,

8. Name of former owner of business, if any, 9. Beginning date of business,

10. Business and home phone numbers, and

11. Signature and title of the sole proprietor, each partner, an elected corporate officer, or a member and the date of the signature.

(18) The mobile communication services tax shall be due and payable in monthly installments on or before the twentieth day of the month next succeeding the month in which the tax accrues. Every home service provider of mobile communication services shall prepare and forward to the Department, within the time prescribed by law, a mobile communication services tax return for each calendar month using forms furnished by the Department and shall compute the tax due and shall pay to the Department the amount of tax shown to be due. Every person engaged in the business of providing mobile communication services shall file only one return for all business units or locations within the state. Any home service provider of these services liable for the tax whose average monthly liability was $10,000 or greater during the preceding calendar year shall make estimated payments to the Department on or before the twentieth day of the month in which the liability occurred. These estimated payments must be at least equal to the taxpayer's actual tax liability for the same calendar month of the preceding year. (Section 40-21-123) Beginning with the October 2011 return due November 20, 2011, the term "actual tax liability" as used herein shall not include the estimated amounts reported on the return from the previous year.

(a) Mobile communication services tax returns shall require the following information:

1. Taxpayer's tax account number, legal name, and complete address,

2. Period covered by the return and due date of the return,

3. Estimated tax due for the current month, if applicable must be at least equal to line 5(b) (Total Mobile Communication Services Tax Due) of the return for the same calendar month of the preceding year,

4. Total receipts, exempt receipts, and taxable receipts from furnishing commercial mobile radio services, paging/ beeper services, and other mobile services,

5. Tax due,

6. Less collection allowance,

7. Estimated tax paid on previous month's return, if applicable,

8. Tax due after deducting credit for previous month's estimate and collection allowance,

9. Total tax due (total tax due plus current month's estimate, if applicable),

10. Penalties and interest due, if applicable, 11. Credits claimed, if any,

12. Total amount remitted,

13. An indication if payment of tax is made through electronic funds transfer (EFT), and

14. Taxpayer's signature, title, and date signed.

(19) The mobile communication services tax shall be administered and the tax shall be collected in accordance with the uniform procedures set forth in Title 40, Code of Ala. 1975, along with the procedures outlined in Sections 40-23-8 through 40-23-12, 40-23-25, and 40-23-27 through 40-23-31, Code of Ala. 1975, as amended, together with the applicable definitions contained in Section 40-23-1, Code of Ala. 1975, as amended. (Section 40-21-123)

(20) Act #2001-1090 provides that if nontaxable charges for mobile communication services are aggregated with and not separately stated from charges that are subject to taxation, the charges for nontaxable mobile communication services may be subject to taxation unless the home service provider can reasonably identify charges not subject to taxation from its books and records that are kept in the regular course of business. (Section 40-21-121(d).)

(21) A home service provider is not required to collect mobile communication services tax from a customer who claims an exemption from the tax and, as documentation of the exemption claim, furnishes the home service provider a properly executed mobile communication services tax certificate of exemption (form STE-3) issued by the Department pursuant to Rule 810-6-5-.26.05. The home service provider who relies in good faith on the Form STE-3 and reasonably believes the tax exemption claim is legal shall not be held liable for the tax later determined by the Department to be due on the sale for which the certificate was received. Instead, the Department will collect or recover the tax due from the party or parties who made the illegal tax-free purchase with the Form STE-3 and the person or persons who benefited from the illegal use of the Form STE-3. (Section 40-21-125)

(22) As stipulated in paragraph (9)(b), the mobile sourcing definitions and provisions are effective after August 1, 2002.
Author: Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-31, 40-21-120, 40-21-121, 40-21-122, 40-21-124, 40-21-125.
History: New Rule: Filed April 15, 1994; effective May 20, 1994. **Amended:** Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed March 2, 2000; effective April 6, 2000. **Repealed and New Rule:** Filed April 19, 2002; effective May 24, 2002. **Amended:** Filed November 3, 2011; effective December 8, 2011.

810-6-5-.26.02 Utility Tax Direct Pay Permit.

(1) Absent evidence to the contrary, where any person is furnished utility services and is billed for such utility services by more than one bill, it shall be presumed that the gross sales or the gross receipts derived from the furnishing of utility services to such person are taxable at the rate applicable to receipts derived from each bill, and the tax so computed shall be added to each bill for utility services furnished. If any person purchasing utility services and receiving more than one bill from any one utility for such services desires that the tax levied by Sections 40-21-80, et seq., Code of Ala. 1975, as amended, be computed upon the aggregate of the purchase price of utility services furnished by such utility, such person may apply for a permit from the Department of Revenue and be permitted to purchase certain utility services without the payment of the tax to the utility subject to the following conditions, namely:

(a) The holder of such permit shall report such utility tax upon forms prepared and furnished by the Department of Revenue and shall pay said tax directly to the Department of Revenue on or before the twentieth day of the month following the month during which such utility services were used for a taxable purpose.

(b) The holder of such permit shall be required to keep such books and records as may be necessary to determine such tax liability, which records shall be subject to examination by the Department of Revenue.

(c) Upon demand of the Department of Revenue the holder of said permit shall execute a bond or indemnity agreement securing the payment of such tax to the Department of Revenue in an amount not exceeding estimated tax liability for six months.

(d) Said permit shall not be transferable and may be canceled upon notice by registered mail to the holder thereof.

(2) The application for a utility tax direct pay permit shall require the following information:

(a) Applicant’s Federal Employer Identification Number,

(b) Applicant’s legal name and complete mailing address,

(c) Business address(es) in Alabama including city, county, and street address or, if location is on highway or rural route, including details sufficient to allow Department personnel to find the place of business),

(d) Indication of the nature of business (e.g. steel manufacturing, auto manufacturer, etc.),

(e) Business phone number,

(f) Desired effective date of permit,

(g) The type of utility service(s) the applicant wishes to purchase without payment of the tax to the vendor and the name of the vendor(s) from whom the service(s) will be purchased, and

(h) Signature and title of sole proprietor, each partner, or an elected corporate officer and the date of each signature.

(3) Utility tax direct pay permits shall contain the following information:

(a) Taxpayer's direct pay permit number, legal name, and complete address,

(b) Permit holder's principal business location,

(c) Nature of the holder's business,

(d) Effective date of the permit,

(e) Type(s) of utility services which can be purchased without payment of utility tax and the name(s) of the vendor(s) from whom the specified utility services can be purchased without payment of utility tax to the vendor,

(f) Statement that the specified utility services purchased from the specified vendor(s) shall be reported monthly to the Department of Revenue and the applicable utility taxes paid thereon by the holder of the permit,

(g) Legal name of the applicant for the direct pay permit, the date the application was filed, and the date the Department of Revenue approved the application, and

(h) Signature on behalf of the Department of Revenue and the date signed.

(4) Utility tax direct pay permit returns shall require the following information:

(a) Taxpayer's utility tax direct pay account number, legal name, and complete address,

(b) Period covered by the return and due date of the return,

(c) Estimated tax due for the current month, if applicable must be at least equal to line 5 (Total Tax Due) of the return for the same calendar month of the preceding year,

(d) The names of each vendor from whom utility services were purchased without payment of tax and a breakdown, by vendor, of the amount of taxable purchases of utility services and the tax due on such purchases,

(e) Estimated tax paid on previous month's return, if applicable,

(f) Tax due after deducting credit for previous month's estimate,

(g) Total tax due (tax due plus current month's estimate, if applicable),

(h) Penalties and interest due, if applicable, (i) Credits claimed,

(j) Total amount due,

(k) Total amount remitted,

(l) An indication if payment of tax is made through electronic funds transfer (EFT), and

(m) Taxpayer's signature, title, and the date signed.

Author: Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-21-85.
History: **New Rule:** Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed November 3, 2011; effective December 8, 2011.

810-6-5-.26.04 Utility Tax Exclusion For Patronage Refunds Distributed To Members By Electric And Telephone Cooperatives.

(1) Monthly charges or advances which are collected from members by an electric or telephone cooperative organized pursuant to Chapter 6 of Title 37 and which are later found not to be necessary to defray expenses or to provide for other uses prescribed in Section 37-6-20 are not gross receipts from furnishing utility services and, when distributed to members as patronage refunds, may be excluded from taxable receipts reported by the cooperative. (State v. Pea River Electric Coop., 434 So. 2d 785 (Ala. Civ. App.) and State Department of Revenue v. Mon-Cre Telephone Cooperative, Inc., et al., Alabama Court of Civil Appeals, decided August 29, 1997.)

(a) The following amounts shall be excluded from the computation of the amount of the exclusion available to the cooperative for patronage refunds issued to its members: (i) amounts advanced by members who are exempt from the utility gross receipts tax and upon whose accounts utility taxes were not paid and (ii) amounts paid by nonexempt cooperative members for charges or fees which are not subject to the utility tax. (State Department of Revenue v. Mon-Cre Telephone Cooperative, Inc., et al., Alabama Court of Civil Appeals, decided August 29, 1997.)

(b) The amount of the exclusion available to the cooperative for patronage refunds is not required to be reduced for that portion of patronage refunds attributable to revenues of the cooperative from nonmember sources including, but not limited to, interest received on the cooperative's bank accounts and revenues from pole rentals and other charges to nonmember companies using the cooperative's network. (State Department of Revenue v. Mon-Cre Telephone Cooperative, Inc., et al., Alabama Court of Civil Appeals, decided August 29, 1997.)

(2) A cooperative may recover the utility tax which it erroneously collected on excludable monthly charges or advances and remitted to the department by filing a direct petition for refund with the department or by taking a credit against current utility tax liability provided the cooperative has refunded or credited the erroneously collected tax to its members or to the member's patronage account. Petitions for refund filed by the cooperative shall be governed by the procedures contained in Code of Ala. 1975, Section 40-2A-7(c).

Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5)(c), 40-21-80(3), 40-21-82, 40-21-85, 40-23-31.
History: **New Rule:** Filed June 4, 1998; effective July 9, 1998.

810-6-5-.26.05 Utility Gross Receipts Tax Or Mobile Communication Services Tax Certificate Of Exemption (Form STE-3)- Responsibilities Of The Certificate Holder - Burden Of Proof - Liability For Taxes Later Determined To Be Due.

(1) Unless otherwise defined herein, the definitions of terms contained in Sections 40-2A-3(13), 40-21-80, 40-21-120, 40-21-125, and 40-21-126, Code of Ala. 1975, are incorporated by reference herein.

(2) The terms "utility gross receipts tax" and "utility tax" as used in this rule shall mean the tax levied in Section 40-21-82.

(3) The term "mobile communication services tax" as used in this rule shall mean the tax applicable to mobile telecommunications

service and mobile radio communication services as defined in Sections 40-21-120(1)(a) and 40-21-125, respectively, and levied in Section 40-21-121.

(4) Persons (i) who are not required to have a utility tax license pursuant to Section 40-21-84, Code of Ala. 1975, and who are entitled to make tax-exempt purchases of utility services without payment of utility tax to the provider or (ii) persons who are not required to have a mobile communications services tax license pursuant to Section 40-21-124, Code of Ala. 1975, and who are entitled to make tax-exempt purchases of mobile communication services without payment of mobile communication services tax to the provider may obtain a utility gross receipts tax or mobile communication services tax certificate of exemption (Form STE-3) by applying for the certificate on forms provided by the Department. Upon receipt and approval of a properly completed application, the Department will issue the qualified applicant a Form STE-3 which the certificate holder may copy, complete, and provide to its vendors as documentation for the tax-exempt status of the certificate holder's qualifying purchases of utility services or mobile communication services. The Form STE-3 shall be used only by the person to whom it is issued.

(5) The application referenced in paragraph (4) shall require the following information:

(a) Applicant's Federal Employer Identification Number,

(b) Applicant's business telephone number,

(c) Applicant's legal name, trade name, and complete mailing address,

(d) Business address(es) in Alabama (including city, county, and street address or, if a location is on a highway or rural route, including details sufficient to allow Department personnel to find the place of business),

(e) Indication of the nature of the applicant's business (i.e., wholesaler, reseller, broker, etc.)

(f) The kind of services (electricity, domestic water, natural gas, telegraph, telephone, or mobile communications) to be purchased tax exempt with the exemption certificate,

(g) Reason or reasons the exemption is claimed,

(h) Indication of the legal form of ownership (sole proprietorship, partnership, corporation, multi member limited liability company, single-member limited liability company, limited liability partnership, etc.),

(i) If the applicant is a corporation, a copy of the certified certificate of incorporation, amended certificate of incorporation, certificate of authority, or articles of incorporation; if the applicant is a limited liability company or a limited liability partnership, a copy of the certified articles of organization,

(j) Name, title, home address, and social security number of the sole proprietor, each partner, each corporate officer, or each member (for a partner or member that is a corporation or limited liability entity, the federal employer identification number shall be requested in lieu of a social security number), and

(k) Signature and title of the sole proprietor, each partner, an elected corporate officer, or a member and the date of the signature.

(6) The Department, upon approving an application for a Form STE-3, will provide the applicant with a Form STE-3 containing the following information:

(a) Certificate holder's exemption number,

(b) The type of services (electricity, domestic water, natural gas, telegraph, telephone, or mobile communications) to which the certificate of exemption applies,

(c) The reason for the certificate holder's exemption and the restrictions, if any, to the certificate holder's exemption,

(d) Nature of the certificate holder's business,

(e) Statement of the duties and responsibilities of the vendor to whom a certificate is provided by the certificate holder,

(f) Statement, to be declared by the certificate holder under penalties of false swearing, as to the validity of the exemption claim,

(g) Certificate holder's name and address,

(h) Date of approval or issuance by the Department, and

(i) Signature of approval by the Department.

(7) At the time of providing a copy of a Form STE-3 to a provider from whom a tax-exempt purchase of utility services or mobile communication services is being made, the following information shall be provided by the certificate holder on the certificate copy which the certificate holder gives to the provider:

(a) Name and address of the vendor to whom the certificate copy is provided,

(b) Date the certificate is provided, and

(c) Certificate holder's signature and title.

(8) A certificate holder regularly making tax-exempt purchases of the kind and nature for which the Form STE-3 has been issued may furnish a properly executed certificate to the provider specifying that all utility services or mobile communication services 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 the services purchased qualify for exemption.

(9) The certificate holder shall maintain a list of all utility or mobile communication services providers to whom a copy of the exemption certificate is furnished. This list shall be retained in the certificate holder's records available for inspection by the Department during regular business hours and shall provide the name, address, and type of business of each utility or mobile communication services provider to whom a copy of the certificate has been furnished.

(10) The certificate holder shall return the certificate to the Department if the business for which the certificate was issued is closed or the nature of certificate holder's business changes in a manner that no longer qualifies its purchases for exemption.

(11) The certificate holder shall notify the Department immediately in writing of any change in name or mailing address.

(12) The burden of proof that a sale of utility services or mobile communication services is exempt is upon the person providing the services unless the provider of the services takes from the certificate holder a properly executed Form STE-3. Any sale of utility services or mobile communication services for which an exemption has been claimed but which is not supported by a Form STE-3 shall be deemed a taxable sale by the Department and the utility or mobile communication services provider held liable for the tax thereon unless the provider can document the exemption claim. A provider who provides utility services or mobile communication services tax-exempt based upon the presentment of a Form STE-3 by the purchaser shall reference the exemption number shown on the Form STE-3 upon the invoice or billing to the certificate holder.

(13) Any person providing utility services or mobile communication services tax-exempt who relies in good faith on a Form STE-3 and reasonably believes the tax exemption claim is legal shall not be held liable for utility tax or mobile communication services tax subsequently determined by the Department to be due on the sale

for which the certificate was received. Instead, the Department will collect or recover the tax due from the party or parties who made the illegal tax-free purchase with the Form STE-3 and the person or persons who benefited from the illegal use of the Form STE-3. (Sections 40-21-88 and 40-21-125)

(14) Other than a utility tax direct pay permit issued pursuant to Utility Tax Rule 810-6-5-.26.02, Form STE-3 is the only exemption certificate or exemption number which relieves the utility provider, when acting in good faith and exercising reasonable care, of liability for any utility tax later determined by the Department to be due on a sale for which an exemption was originally claimed by the purchaser. (Sections 40-21-88 and 40-21-125)

(15) Form STE-3 is the only exemption certificate or exemption number which relieves the mobile communication services provider, when acting in good faith and exercising reasonable care, of liability for any mobile communication services tax later determined by the Department to be due on a sale for which an exemption was originally claimed by the purchaser. (Sections 40-21-88 and 40-21-125)

(16) The Department may use its powers and responsibilities, in accordance with the general laws of this state, to collect or recover any utility taxes or mobile communication services taxes due on purchases made illegally with any Form STE-3 from the party or parties using the Form STE-3 and the person or persons who benefited from the illegal use of the Form STE-3, if the utility provider or mobile communication services provider acted in good faith and reasonably believed the tax exemption claim was legal. Powers which may be used by the Department shall include the authority granted under Chapter 2A of Title 40, Code of Ala. 1975, to examine the certificate holder's records; assess tax, penalties, and interest against the certificate holder; and file tax liens against the certificate holder. (Sections 40-21-88 and 40-21-125)

Author: Donna Joyner

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-2A-3(13), 40-21-80, 40-21-82, 40-21-84, 40-21-85, 40-21-88, 40-21-120, 40-21-121, 40-21-123, 40-21-124, 40-21-125, 40-21-126, 40-23-31;, Act 2001-1090.

History: **New Rule:** Filed March 2, 2000, effective April 6, 2000. **Amended:** Filed April 19, 2002; effective May 24, 2002. **Amended:** Filed November 9, 2007; effective December 14, 2007.

810-6-5-.27 Pharmaceutical Providers Tax.

(1) The term "pharmaceutical providers tax" as used in this regulation shall mean the privilege tax levied in Section

40-26B-2, Code of Ala. 1975, upon every provider of pharmaceutical services to citizens of Alabama.

(2) Unless otherwise defined herein, the definitions of terms set forth in Code of Ala. 1975, Section 40-26B-1, are incorporated by reference herein.

(3) Section 40-26B-2 levies a privilege tax on the business activities of every provider of pharmaceutical services to Alabama citizens except a pharmacy, or portion thereof, serving hospital inpatients or pharmacies owned or operated by the State of Alabama or an agency thereof. The rate of this tax is 10 cents for each prescription filled or refilled for an Alabama citizen with a retail price of $3.00 or more.

(4) On and after July 1, 2002, the rate of this tax is 10 cents for each prescription filled or refilled for an Alabama citizen, regardless of retail price. (Act No. 2002-414)

(5) Hospital inpatient pharmacies are excluded from the levy of the pharmaceutical providers tax. Accordingly, prescriptions filled or refilled by hospital inpatient pharmacies including prescriptions filled or refilled for emergency room patients receiving an emergency supply of medication, hospital staff personnel, and workman's' compensation patients are not taxable under Section 40-26B-2.

(6) Prescriptions filled or refilled by state mental health facilities, mental health centers organized pursuant to Code of Ala. 1975, Section 22-51-1, et seq., and county health departments are not taxable under Section 40-26B-2.

(7) The pharmaceutical providers tax does not apply to prescriptions filled or refilled for persons who are not citizens of Alabama. The provider's books and records must contain sufficient documentation to substantiate claims of tax-exempt sales to noncitizens of Alabama.

(8) When a pharmaceutical provider receives a "co-pay" amount from the patient and the balance of the selling price from an insurance company, the total amount received from both the patient and the insurance company constitutes the retail price of the prescription.

(9) Any pharmaceutical provider filling or refilling both taxable and nontaxable prescriptions shall pay the tax due on taxable prescriptions filled or refilled when said provider's books are kept so as to show separately the number of taxable and nontaxable prescriptions filled or refilled. When the books are not so kept, the pharmaceutical provider shall pay tax on all prescriptions filled or refilled.

(10) The pharmaceutical providers tax shall be due and payable in monthly installments on or before the twentieth day of the month next succeeding the month in which the tax accrues. Every pharmaceutical provider shall prepare and forward to the Department, within the time prescribed by law, a return for each calendar month using forms furnished by the Department. Pharmaceutical providers tax returns shall require the following information:

(a) Taxpayer's tax account number, legal name, and complete address,

(b) Period covered by the return and due date of the return,

(c) The total number of prescriptions filled or refilled,

(d) The number of nontaxable prescriptions filled or refilled,

(e) The total number of taxable prescriptions filled or refilled,

(f) Gross tax due,

(g) Penalties due, if applicable,

(h) Interest due, if applicable,

(i) Credits claimed, if any,

(j) Total amount due,

(k) Total amount remitted,

(l) An indication if payment of tax is made through electronic funds transfer (EFT), and

(m) Taxpayer's signature, title, and date signed.

Every pharmaceutical provider shall file only one return for all business units or locations filling or refilling taxable

(11) The pharmaceutical providers tax shall be administered and the tax shall be collected in accordance with the uniform procedures set forth in Title 40, Code of Ala. 1975, along with the procedures outlined in Sections 40-26B-1, et seq. No discount is allowed for timely payment of the pharmaceutical providers tax.
Author: Donna Joyner
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26B-2; 40-26B-4(a), 40-26B-5(c), Act No 2002-414.
History: New rule: Filed September 27, 1993; effective November 1, 1993. **Amended:** Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed September 11, 2002; effective October 16, 2002.

810-6-5-.27.01 Nursing Facility Tax.

(1) The term "nursing facility tax" as used in this regulation shall mean the privilege tax levied in Section 40-26B-21, Code of Ala. 1975, upon the business activities of nursing facilities in Alabama.

(2) Unless otherwise defined herein, the definitions of terms set forth in Section 40-26B-20, Code of Ala. 1975, are incorporated by reference herein.

(3) The nursing facility tax shall be due and payable in monthly installments on or before the twentieth day of the month next succeeding the month in which their tax accrues. Every nursing facility shall prepare and forward to the Department, within the time prescribed by law, a nursing facility tax return for each calendar month using forms furnished by the Department and shall pay to the Department the amount of tax shown to be due. A separate nursing facility tax return shall be filed for each nursing facility location.

(4) Nursing facility tax returns shall require the following information:

(a) Taxpayer's tax account number, legal name, and complete address,

(b) Period covered by the return and due date of the return,

(c) The number of patient days utilized for the month,

(d) The number of patient days available for the month,

(e) The percent of occupancy,

(f) The number of licensed beds, if any, added since July 1, 1991, provided the monthly occupancy rate has not equaled or exceeded 85 percent since such beds were added,

(g) Number of licensed beds as of the last day of the month covered by the return excluding any licensed beds, if any, added since July 1, 1991, provided the monthly occupancy rate has not equaled or exceeded 85 percent since such beds were added,

(h) Total number of licensed beds,

(i) Tax due,

(j) Penalties due, if applicable,

(k) Interest due, if applicable,

(l) Credits claimed, if any,

(m) Total amount due,

(n) Total amount remitted,

(o) An indication if payment of tax is made through electronic funds transfer (EFT), and

(p) Taxpayer's signature, title, and date signed.

(5) The nursing facility tax shall be administered and the tax shall be collected in accordance with the uniform procedures set forth in Title 40, Code of Ala. 1975, along with the procedures outlined in Sections 40-26B-20, et seq. No discount is allowed for timely payment of nursing facility tax.
Author: Ginger Buchanan
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26B-23(a), 40-26B-24(c).
History: **New Rule:** Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed November 3, 2011; effective December 8, 2011.

810-6-5-.27.02 Hospital Assessment For Medicaid.

(1) Section 40-26B-71, Code of Ala. 1975, provides for an assessment on each privately-operated hospital in the state of Alabama as funding for the Alabama Medicaid program. Assessment amounts are due in equal quarterly installments by the fifteenth working day of each quarter of the State's fiscal years.

(2) The initial installment payment is not due until the Department of Revenue has notified the affected hospitals that the State's Hospital Funding Program has been approved by the Centers for Medicare and Medicaid Services (CMS), the 30-day verification period allowed to the hospitals has expired, and all the disproportionate share hospital payments for the fiscal year have been made.

(3) If there is a change in the rate of the assessment or the method of determining the Net Patient Revenue to be used in the assessment calculation, then the first payment due after any such change shall be considered an initial installment payment for determining the due date provided for in paragraph (2).
Author: Traci Floyd
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26B-72, Act 2013-246.

History: New Rule: Filed January 27, 2014, effective March 3, 2014. **Amended:** Filed October 17, 2018, effective December 1, 2018.

810-6-5-.28 **Appliances And Devices Using Electricity As An Energy Source, General Rate Applicable Thereto.**

(1) The use of raw electrical current obtained through a wall outlet as an energy source by appliances containing transformers, capacitors, voltage regulators, traps, filters, and similar components does not constitute the processing of electricity as that term is used in Code of Alabama 1975, Sections 40-23-2(3) and 40-23-61(b). Such simple use of raw electrical current obtained through a wall outlet is not "processing tangible personal property" and, therefore, does not in and of itself qualify the appliance for the reduced machine rate of sales or use tax.

(2) The term "processing" is synonymous with "preparation for market" and "to convert to marketable form" when an appliance uses electricity which is prepared for market and which is in a marketable, commercially usable form before it enters the appliance via the electric cord and wall outlet plug, the fact that the direction of the flow of electrons may be altered upon entering the appliance, or that the volume of the flow of the electric current may be reduced or increased by different components, does not suffice to make it a step in "processing" electricity as used in the Code sections referenced above. Sizemore v. Franco Distributing Co., 594 So. 2d 143 (Ala. Civ. App. 1991)

(3) Video game machines; pinball machines; juke boxes; vending machines; and household electrical appliances such as radios, televisions, lamps, clocks, refrigerators, stoves, microwave ovens, toasters, etc. do not "process" electricity and, therefore, do not qualify for the reduced machine rate of sales or use tax.
Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-23-31, 40-23-83.
History: New rule filed September 27, 1993; effective November 1, 1993.

810-6-5-.29 **Oxygen And Durable Medical Equipment.**

(1) The term "durable medical equipment" shall mean equipment which can stand repeated use, is used to serve a purpose for medical reasons, and is appropriate and suitable for use in the home. The term "participating provider" shall mean a supplier who accepts Medicare assignments.

(2) Sales of oxygen and durable medical equipment dispensed under orders from a duly licensed physician by a participating provider to a Medicare recipient are exempt from state and local sales and use taxes.

(3) With the exception of the purchases outlined in paragraph (2), purchases under Medicare Part B are taxable in the same manner as purchases under any other health care insurance policy.

(4) Effective August 1, 2014, any item used for the treatment of illness or injury or to replace all or part of a limb or internal body part purchased by or on behalf of an individual pursuant to a valid prescription and covered by and billed to Medicare, Medicaid, or a health benefit plan shall be exempt from state, county, and municipal sales, use, rental and leasing taxes. This exemption includes, but is not limited to, any of the following:

(a) Durable medical equipment, including repair parts and the disposable or single patient use supplies required for the use of the equipment,

(b) Prosthetic and orthotic devices, and

(c) Medical supplies as defined and covered under the Medicare program, including, but not limited to, items such as catheters, catheter supplies, ostomy bags and supplies related to ostomy care, specialized wound care products, and similar items that are covered by and billed to Medicare, Medicaid, or a health benefit plan.

(d) Sales of oxygen and durable medical equipment to Medicare patients, as outlined in paragraph (2), continue to be exempt even when not billed directly to Medicare.

(5) Effective September 1, 2024, any healthcare provider claiming an exemption shall obtain and maintain a certificate of exemption from the department in accordance with the provisions of Section 40-9-60, prior to the purchase and shall provide the certificate to the seller at the time of purchase. Any purchase made on or after September 1, 2024, shall be subject to tax, unless the healthcare provider provides the certificate to the seller at the time of purchase.

(6) Healthcare providers, including but not limited to, hospitals, physicians' offices, surgery centers, diagnostic centers, and like institutions are rendering services to their patients or clients and are deemed to be the consumer of the tangible personal property they purchase in rendering the services they perform. The sellers of these items are required to collect sales or use tax on sales of the tangible personal property to the providers.

(7) Notwithstanding the provisions of paragraph (6), the purchase by a healthcare provider of any item intended for use by the

patient in his/her home and made in accordance with the requirements of Code of Ala. 1975, Section 40-9-30(d) and paragraph (4), shall be exempt from sales and use taxes when sold to insured patients pursuant to valid prescriptions.

(a) The burden of proof that any item purchased by a healthcare provider was intended for use and made in accordance with the requirements of Code of Ala. 1975, Section 40-9-30(d), shall be carried by the healthcare provider. The healthcare provider shall maintain adequate records to properly document that any items purchased by the healthcare provider was intended for use and was in fact used in accordance with the requirements of Code of Ala. 1975, Section 40-9-30(d).

(b) Healthcare providers in a clinical setting who maintain an inventory of durable medical equipment, prosthetics, orthotics, and certain medical supplies to treat patients as needed may not know at the time of purchase whether the items will be ultimately prescribed to a patient covered by Medicare, Medicaid, or a health benefit plan. Such healthcare providers may purchase qualifying items without the payment of tax to the vendor by using a properly documented Certificate of Exemption, form ST: EX-A1, issued by the department. The healthcare provider will be responsible for accruing and remitting use tax on those items that are used to provide services to non-insured patients and/or items on which they do not maintain adequate records to determine the use and taxability.

(c) Sales or use tax will continue to be due on purchases such as bandages, supplies, equipment, and other items used in delivering care to patients.

(8) Hospitals and nursing homes that provide durable medical equipment to patients are responsible for the equipment and as such are considered the users of any durable medical equipment purchased or leased on behalf of their patients. Therefore, the exemption provided does not extend to these settings in accordance with rules promulgated by Medicare.

Author: Ginger Buchanan; Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-9-30, 40-9-60, 40-23-31, 40-23-83.
History: Filed June 18, 1993; certification filed September 7, 1993; effective October 12, 1993. **Amended:** Filed October 30, 2014; effective December 4, 2014. **Amended:** Filed March 9, 2016; effective April 23, 2016. **Amended:** Published October 31, 2024; effective December 15, 2024.

810-6-5-.30 **Filing And Paying State And State-Administered Sales, Use Lodgings, And Rental Taxes On A Quarterly, Semi-Annual, Or Annual Basis.**

(1) Definitions.

(a) Total state sales tax liability - The amount of state sales tax, including applicable penalty and interest, remitted by, or levied or assessed against the taxpayer.

(b) Total state use tax liability - The amount of state use tax, including applicable penalty and interest, remitted by, or levied or assessed against the taxpayer.

(c) Total state lodgings tax liability – The amount of state transient occupancy tax, including applicable penalty and interest, remitted by, or levied or assessed against the taxpayer.

(d) Total state rental tax liability – The amount of state rental tax, including applicable penalty and interest, remitted by, or levied or assessed against the taxpayer.

(2) Filing Election. A taxpayer whose total state sales tax liability, total state use tax liability, total state lodgings tax liability, or total state rental tax liability meets the following criteria may request in writing, pursuant to paragraph (6), to file quarterly, semi-annually, or annually:

(a) Quarterly Returns.

1. A taxpayer whose total state sales tax liability during the preceding calendar year is less than two thousand four hundred dollars ($2,400) may elect to file quarterly returns.

2. A taxpayer whose total state use tax liability during the preceding calendar year is less than two thousand four hundred dollars ($2,400) may elect to file quarterly returns.

3. A taxpayer whose total state lodgings tax liability during the preceding calendar year is less than two thousand four hundred dollars ($2,400) may elect to file quarterly returns.

4. A taxpayer whose total state rental tax liability during the preceding calendar year is less than two thousand four hundred dollars ($2,400) may elect to file quarterly returns.

(b) Semi-Annual Returns.

1. A taxpayer whose total state sales tax liability during the preceding calendar year is either less than twelve hundred dollars ($1,200) or has made retail sales during no more than two, thirty (30) consecutive day periods may elect to file semi-annual returns.

2. A taxpayer whose total state use tax liability during the preceding calendar year is either less than twelve hundred dollars ($1,200) or has made no more than two transactions subject to use tax during the preceding calendar year may elect to file semi-annual returns.

3. A taxpayer whose total state lodgings tax liability during the preceding calendar year is either less than twelve hundred dollars ($1,200) or has provided accommodations during no more than two, thirty (30) consecutive day periods may elect to file semi-annual returns.

4. A taxpayer whose total state rental tax liability during the preceding calendar year is either less than twelve hundred dollars ($1,200) or has made rentals during no more than two, thirty (30) consecutive day periods may elect to file semi annual returns.

(c) Annual Returns.

1. A taxpayer whose total state sales tax liability during the preceding calendar year is either less than six hundred dollars ($600) or has made retail sales during no more than one, thirty (30) consecutive day period may elect to file annual returns.

2. A taxpayer whose total state use tax liability during the preceding calendar year is either less than six hundred dollars ($600) or has made no more than one transaction

subject to use tax during the preceding calendar year may elect to file annual returns.

3. A taxpayer whose total state lodgings tax liability during the preceding calendar year is either less than six hundred dollars ($600) or has provided accommodations during no more than one, thirty (30) consecutive day period may elect to file annual returns.

4. A taxpayer whose total state rental tax liability during the preceding calendar year is either less than six hundred dollars ($600) or has made rentals during no

more than one, thirty (30) consecutive day period may elect to file annual returns.

(3) Return Filing Requirement. In order to qualify for quarterly, semi-annual, or annual filing status, the taxpayer must have been in business for the entire preceding calendar year and filed the required returns covering the entire preceding calendar year upon which the calculation of the annual tax liability is based.

(4) State Administered County and Municipal Sales, Use, Lodgings, and Rental Taxes. The filing election established for state sales, use, lodgings, and rental taxes will also govern the filing election for state administered county and municipal sales, use, lodgings, and rental taxes.

(5) Return and Payment Due Dates.

(a) Quarterly returns and payments are due on or before the 20th day of the month next succeeding the end of the quarter for which the tax is due.

(b) Semi-annual returns and payments are due on or before July 20 and January 20, following the end of the six-month period for which the tax is due.

(c) Annual return and payment are due on or before January 20 following the end of the annual period for which the tax is due.

(6) Written Request Required. A taxpayer that meets the requirements of paragraphs (2) and (3) must submit a written request to the department to elect to change their return filing frequency. The request of this election must be received by the department no later than February 20 of each year.
Author: Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-12-224, 40-23-7, 40-23-31, 40-23-68, 40-23-83, 40-26-3, 11-3-11.3, 11-51-207, 11-51-208.
History: **New Rule:** Filed September 15, 1998; effective October 20, 1998. **Repealed and New Rule:** Published December 30, 2021; effective February 13, 2022. **Amended:** Published September 30, 2022; effective November 14, 2022.

810-6-5-.30.01 Filing And Paying State Rental Tax And State-Administered County And Municipal Rental Taxes On A Quarterly, Semi-Annual, Or Annual Basis (Repealed 11/14/22).

(REPEALED)
Author: Dan DeVaughn, Lee Ann Rouse

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-31, 40-23-83, 40-23-7, 11-3-11.3, 11-51-207, 40-12-224. **History: New Rule:** Filed September 15, 1998, effective October 20, 1998. **Amended:** Published September 30, 2021, effective November 14, 2021. **Repealed:** Published September 30, 2022; effective November 14, 2022.

810-6-5-.31 City And County Sales, Use, Rental And Lodgings Tax Return.

(1) The term "Department" as used in this rule shall mean the Department of Revenue of the State of Alabama.

(2) The term "state-administered local taxes" as used in this rule shall mean county and municipal sales, use, rental, and lodgings taxes which are administered and collected by the Department of Revenue of the State of Alabama.

(3) Every person required by law to report and pay a state-administered local tax shall prepare and forward to the Department, within the time prescribed by law, a city and county tax return for each tax reporting period on a form prescribed by the Department and pay to the Department the amount of tax shown due on the return.

(4) All state-administered local taxes shall be reported on a single form requiring the following information:

(a) Period covered by the return and the due date of the return,

(b) Taxpayer’s legal name,

(c) Taxpayer’s complete address,

(d) Taxpayer’s tax account number,

(e) Taxpayer’s aggregate chain number as assigned by the Department.

(f) A breakdown of sales tax information by locality code as follows:

1. Total gross sales, the total collections during the reporting period on credit sales previously claimed as a deduction, and the cost of property purchased at wholesale withdrawn for use or consumption, by tax rate type as follows:

(i) Automotive vehicles, truck trailers, semitrailers, and house trailers;

(ii) Farm machinery and equipment;

(iii) Machines used in mining, quarrying, manufacturing, compounding, or processing tangible personal property;

(iv) Food and food products for human consumption not including beverages other than coffee, milk, milk products, and substitutes therefor sold through vending machines; and,

(v) All other tangible personal property in the local taxing jurisdiction, and gross receipts from places of amusement.

2. Total deductions claimed by applicable tax rate,

3. Measure of tax by applicable tax rate,

4. Gross tax due by applicable tax rate,

5. Number of automotive vehicles withdrawn for use as demonstrators,

6. Total demonstrator fee due,

7. Total gross amount of tax due,

8. Discount due for prompt payment, if applicable, 9. Penalty and interest due, if applicable, and 10. Total amount due.

(g) A breakdown of rental tax information by locality code as follows:

1. The gross proceeds derived from the leasing or rental by tax rate type as follows:

(i) Automotive vehicles, truck trailers, semitrailers, and house trailers;

(ii) Linens and garments; and,

(iii) All other tangible personal property.

2. Total deductions claimed by applicable tax rate, 3. Measure of tax by applicable tax rate,

4. Gross tax due by applicable tax rate,

5. Total gross amount of tax due,

6. Penalty and interest due, if applicable, and

7. Total amount due.

(h) A breakdown of lodgings tax information by locality code as follows:

1. Total gross charges, both cash and credit, from the rental of rooms, lodgings, accommodations, and services furnished to transients and collections on credit charges previously claimed as a deduction,

2. Total deductions,

3. Measure of tax,

4. Gross amount of tax,

5. Discount for prompt payment of tax, if applicable,

6. Penalty and interest due, if applicable, and 7. Total amount due.

(i) A breakdown of sellers use tax information by locality code as follows:

1. Total sales price and total collections during the reporting period on credit sales previously claimed as a deduction, by tax rate type as follows:

(i) Automotive vehicles, truck trailers, semitrailers, and house trailers;

(ii) Farm machinery and equipment;

(iii) Machines used in mining, quarrying, manufacturing, compounding, or processing tangible personal property; and,

(iv) All other tangible personal property sold for delivery in the local taxing jurisdiction.

2. Total deductions claimed by applicable tax rate,

3. Measure of tax by applicable tax rate,

4. Gross tax due by applicable tax rate,

5. Total gross amount of tax due,

6. Penalty and interest due, if applicable, and

7. Total amount due.

(j) A breakdown of consumers use tax information by locality code as follows:

1. Total purchase price of tangible personal property purchased outside the local taxing jurisdiction for use, storage, or consumption in the jurisdiction, or purchased within the jurisdiction on which the sales or use tax due was not paid, by tax rate type as follows:

(i) Automotive vehicles, truck trailers, semitrailers, and house trailers;

(ii) Farm machinery and equipment;

(iii) Machines used in mining, quarrying, manufacturing, compounding, or processing tangible personal property; and,

(iv) All other tangible personal property.

2. Total deductions claimed by applicable tax rate, including a measure to allow credit for taxes paid to another state or to a political subdivision of another state under a requirement of law on out-of-state purchases,

3. Measure of tax by applicable tax rate,

4. Gross tax due by applicable tax rate,

5. Total gross amount of tax due,

6. Penalty and interest due, if applicable, and

7. Total amount due.

(k) Total amount due for all state-administered local taxes reported on the return.

(l) Credit due for a previous overpayment. Any credit taken for previous overpayment must be approved in advance by the Department.

(m) Net amount due (total amount due less approved credit due).

(n) The total amount remitted.

(o) An indication as to whether the taxes shown due on the return have been remitted through an electronic funds transfer, and

(p) The taxpayer's signature and the date the return is signed.

(5) Effective October 1, 2003, state-administered local sales, use, rental and lodgings taxes are required to be filed electronically. However, when a waiver from the requirement to file electronically has been granted by the Commissioner of Revenue, the taxpayer shall file on printed forms provided by the Department. (Rule 810-1-6-.05).

(6) Items (a) through (e) in paragraph (4) of this rule shall be pre-populated or preprinted on the return by the Department based on the information in its files. The taxpayer, however, shall be responsible for notifying the Department if the account information is incorrect. Also, the locality names, locality codes, tax types, and rate types shall be pre-populated or preprinted on the return by the Department based on the county and municipal taxes previously reported by the taxpayer. If the taxpayer is liable for any state-administered local tax for a county or municipality which is not pre-populated or preprinted on the form by the Department, the taxpayer shall add the name, locality code, tax type and rate types of the county or municipality to the return and report the tax, penalty, interest, or discount applicable to that county or municipality. The information required in items (f) through (p) in paragraph (4) shall be provided by the taxpayer.

(7) The city and county tax return outlined in this rule shall constitute the standard multiple jurisdiction tax form and the single jurisdiction tax form referenced in Section 11-51-210(a) and shall be used to report all state-administered local taxes for periods covering October 2003 forward. State-administered local taxes for periods prior to October 2003 shall be reported on forms furnished by the Department prior to the adoption of the new standard form outlined in this rule.

Author: Deborah Lee

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 11-3-11.3(b), 11-3-11.3(f), 11-51-182, 11-51-207, 11-51-208(e), 11-51-210(a), 11-51-210(c), 40-12-6, 40-12-224, 40-23-31, 40-23-83, 40-26-19.

History: **New Rule:** Filed November 23, 1998; effective December 28, 1998. **Amended:** Filed September 30, 2009; effective November 4, 2009.

810-6-5-.32 Hydroelectric Privilege License Tax Return.

(1) The term “department” as used in this rule shall mean the Alabama Department of Revenue.

(2) The term “hydroelectric privilege license tax” as used in this rule shall mean the license or privilege tax levied in Section

40-21-56, Code of Alabama 1975, at the rate of two-fifths (2/5) of one mill upon each kilowatt hour of hydroelectric power manufactured and sold during the preceding calendar year.

(3) The hydroelectric privilege license tax shall be reported and paid on or before September 25 of each year. Every manufacturer and seller of hydroelectric power liable for the tax shall prepare and forward to the department, within the time prescribed by law, a hydroelectric privilege license tax return using forms furnished by the department and shall pay to the department the amount of tax shown due.

(4) The hydroelectric privilege license tax return shall require the following information:

(a) taxpayer's legal name,

(b) calendar year covered by the return,

(c) number of kilowatt hours of hydroelectric power manufactured and sold during the preceding calendar year,

(d) amount of tax due, and

(e) signed statement by the owner, or an officer, of the public utility giving his or her name and title together with a sworn statement under oath that he or she (i) has supervision of the public utility's records, (ii) controls the manner in which the records are kept, (iii) has knowledge that the records have been kept in good faith during the period covered by the return, and (iv) has examined the return and, to the best of his or her knowledge and belief, the information provided on the return is in exact accordance with the records and the return is a correct statement of the kilowatt hours of hydroelectric power manufactured and sold during the calendar year covered by the return.

Author: Dan DeVaughn
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-21-56.
History: New rule: Filed November 23, 1998, effective December 28, 1998.

810-6-5-.33 **Alabama Drycleaning Environmental Response Trust Fund - Owner Of An Abandoned Drycleaning Facility Or Impacted Third Party.**

(1) Unless otherwise defined herein, the definitions of terms set forth in Section 22-30D-3, Code of Ala. 1975, are incorporated by reference herein.

(2) The term "department" as used in this rule shall mean the Alabama Department of Environmental Management (ADEM), or any successor, department, or agency of the state.

(3) The term "registration fee" as used in this rule shall mean the Alabama Drycleaning Environmental Response Trust Fund fee created in Section 22-30D-6, Code of Ala. 1975, against every person owning any abandoned drycleaning facility who suspects contamination or discovers contamination at any abandoned drycleaning facility or against any impacted third party who has reported contamination on its real property to the department and who elects to register each contaminated site with the department and the board.

(4) Section 22-30D-6 creates a registration fee in the amount of five thousand dollars ($5000) per year per site on owners of abandoned drycleaning facilities or impacted third parties electing to register each site with the department and the board. The registration fee shall be paid to the Department of Revenue prior to receipt of any payment from the fund and is due until such time as the site is subject to no further action by ADEM.

(5) The registration fee shall be paid annually by each registered owner of an abandoned drycleaning facility or registered impacted third party to the Department of Revenue on April 1, and shall become delinquent on the 20th day of April. No discount is allowed for timely payment of the registration fee.

(6) Registered owners of abandoned drycleaning facilities or impacted third parties shall submit the registration fee on forms furnished by the Department of Revenue. The payment forms shall require the following information:

(a) Owner of abandoned drycleaning facility or impacted third party's legal name, complete address, and account number,

(b) Owner of abandoned drycleaning facility or impacted third party's Federal Employer Identification Number,

(c) Owner of abandoned drycleaning facility or impacted third party's telephone number,

(d) Name and position of contact person,

(e) Address of abandoned drycleaning facility site or real property contamination site,

(f) Signature of individual, partner, or corporate officer,

(g) Date signed,

(h) Total trust fund fee due.

(7) Upon receipt of a registration fee from an owner of an abandoned drycleaning facility or impacted third party, the Department of Revenue shall provide a certificate of registration containing the following information:

(a) Owner of abandoned drycleaning facility or impacted third party's legal name, address, and account number,

(b) Date of approval or issuance by the Department of Revenue,

(c) Statement of the purpose of the certificate.

(8 The Alabama Drycleaning Environmental Response Trust Fund fee shall be administered and collected in accordance with the uniform revenue procedures set forth in Chapter 2A of Title 40, Code of Ala. 1975, along with the procedures outlined in Section 22-30D-6.
Author: Mike Emfinger
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 22-30-D-6(i).
History: New Rule: Filed May 8, 2001; effective June 12, 2001.

810-6-5-.34 Alabama Drycleaning Environmental Response Trust Fund – Drycleaning Facilities.

(1) Unless otherwise defined herein, the definitions of terms set forth in Section 22-30D-3, Code of Ala. 1975, are incorporated by reference herein.

(2) The term "department" as used in this rule shall mean The Alabama Department of Environmental Management (ADEM), or any successor, department, or agency of the state.

(3) The term "registration fee" as used in this rule shall mean the Alabama Drycleaning Environmental Response Trust Fund fee created in Section 22-30D-6, Code of Ala. 1975, against every owner or operator of a drycleaning facility electing to contribute to a drycleaning self-insurance program, which will cover the cost to investigate, assess, and, if necessary, remediate sites contaminated by drycleaning agents.

(4) The term "gross receipts" as used in this rule shall mean all actual receipts, but excluding gross receipts derived from alterations of garments, at a drycleaning facility, valued in money, without any deduction on account of the cost of such operation, the costs of materials used, labor or service costs, interest paid, or any other expenses whatsoever and without any deduction on account of losses including gross receipts derived from wholesale drycleaning and laundering of garments, apparel, or fabrics for other drycleaning facilities not owned by the owner or operator; but excluding any gross receipts derived from the

drycleaning or laundering of garments, apparel, or fabrics owned by the owner or operator.

(5) Section 22-30D-6 creates an annual registration fee against an owner or operator of an existing drycleaning facility as of May 24, 2000, against each new owner or operator of a drycleaning facility coming into existence after May 24, 2000 who acquires an existing drycleaning facility after May 24, 2000, and against each new owner or operator who establishes a new drycleaning facility after May 24, 2000, each of which elect to be covered pursuant to Section 22-30D-4. Annual registration fees are against each owner or operator, regardless of the number of drycleaning facilities owned or operated by the owner or operator. The annual registration fee amounts are due as follows:

(a) Each owner or operator of an existing drycleaning facility as of May 24, 2000 shall pay an annual registration fee equal to two percent (2%) of the gross receipts earned in Alabama during the prior calendar year, not to exceed a total registration fee of twenty-five thousand dollars ($25,000) per year.

(b) Each new owner or operator who acquires an existing drycleaning facility after May 24, 2000 shall pay for the first year the owner or operator owns or operates the acquired drycleaning facility, a registration fee equal to two percent (2%) of the gross receipts earned in Alabama by the prior owner or operator during the prior calendar year less whatever sum the prior owner or operator has paid as a registration fee for that same year, not to exceed a total registration fee of twenty-five thousand dollars ($25,000). Each new owner or operator shall pay for the second year and subsequent years, an annual registration fee equal to two percent (2%) of the gross receipts earned in Alabama during the prior calendar year, not to exceed a total registration fee of twenty-five thousand dollars ($25,000) per year.

(c) Each new owner or operator coming into existence who establishes a new drycleaning facility after May 24, 2000 shall pay a one-time registration fee in the amount of five thousand dollars ($5,000) for the first year of operation and shall pay, for the second year of operation, an annual registration fee equal to the greater of five thousand dollars ($5,000) or two percent (2%) of the gross receipts earned by the new owner or operator during the period of the first calendar year that the new owner or operator was in business, not to exceed a total registration fee of twenty-five thousand dollars ($25,000). For each year thereafter, the new owner or operator shall pay the annual registration fee provided for in paragraph (5)(a) of this rule.

(d) The registration fee shall be paid quarterly by each owner or operator to the Department of Revenue, one-fourth (1/4) on

April 1, one-fourth (1/4) on July 1, one-fourth (1/4) on October 1, and one-fourth (1/4) on January 1, and shall be due on or before the nineteenth (19th) day of each said month. The registration fee shall be paid on forms furnished by the Department of Revenue. No discount is allowed for timely payment of the registration fee.

(6) Registered owners or operators of drycleaning facilities shall submit the ADEM registration form, the registration fee, and the registration fee payment form to the Department of Revenue. The registration fee payment form shall require the following information:

(a) Owner or operator’s legal name, complete address, and account number,

(b) Owner or operator’s Federal Employer

Identification Number,

(c) Owner or operator’s telephone number,

(d) Name and position of contact person,

(e) Signature of sole proprietor, partner, or corporate officer,

(f) Date signed,

(g) Statements indicating the applicable type of owner or operator of drycleaning facility,

(h) Amount of gross receipts earned in previous calendar year,

(i) Total annual trust fund fee due,

(j) Quarterly trust fund fee due,

(k) Penalties due, if applicable,

(l) Interest due, if applicable,

(m) Total trust fund fee due for quarter.

(7) Upon receipt of a registration fee from an owner or operator of a drycleaning facility, the Department of Revenue shall provide a certificate of registration containing the following information:

(a) Owner or operator’s legal name, address, and account number,

(b) Date of approval or issuance by the Department of Revenue,

(c) Statement of the purpose of the certificate.

The certificate of registration shall be conspicuously posted by the owner or operator of the drycleaning facility.

(8) The Alabama Drycleaning Environmental Response Trust Fund fee shall be administered and collected in accordance with the uniform revenue procedures set forth in Chapter 2A of Title 40, Code of Ala. 1975, along with the procedures outlined in Section 22-30D-6.
Author: Mike Emfinger
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 22-30D-6(i).
History: **New Rule:** Filed May 8, 2001; effective June 12, 2001.

810-6-5-.35 **Alabama Drycleaning Environmental Response Trust Fund – Wholesale Distributors Of Drycleaning Agents.**

(1) Unless otherwise defined herein, the definitions of terms set forth in Section 22-30D-3, Code of Ala. 1975, are incorporated by reference herein.

(2) The term "registration fee" as used in this rule shall mean the Alabama Drycleaning Environmental Response Trust Fund fee created in Section 22-30D-6, Code of Ala. 1975, against every wholesale distributor electing to contribute to a drycleaning self-insurance program which will cover the cost to investigate, assess, and, if necessary, remediate sites contaminated by drycleaning agents.

(3) The term "department" as used in this rule shall mean the Alabama Department of Environmental Management (ADEM), or any successor, department, or agency of the state.

(4) Section 22-30D-6 creates an annual registration fee in the amount of $5000 (five thousand dollars) on wholesale distributors selling drycleaning agents to drycleaning facilities in Alabama. The registration fee applies only to wholesale distributors electing to be covered pursuant to Section 22-30D-4.

(5) The registration fee shall be paid annually by each wholesale distributor to the Department of Revenue on April 1, and shall become delinquent on the 20th day of April. No discount is allowed for timely payment of the registration fee.

(6) Registered wholesale distributors shall submit the registration form provided by the department to the Department of Revenue. Registered wholesale distributors shall also submit the annual registration fee to the Department of Revenue on forms furnished by the Department of Revenue. The payment forms shall require the following information:

(a) Wholesale distributor's legal name, complete address, and account number,

(b) Wholesale distributor's Federal Employer Identification Number,

(c) Wholesale distributor's telephone number, (d) Name and position of contact person,

(e) Signature of sole proprietor, partner, or corporate officer,

(f) Date signed,

(g) Payment due date,

(h) Annual trust fund fee due,

(i) Penalties due, if applicable,

(j) Interest due, if applicable,

(k) Total fee due.

(7) Upon receipt of a registration fee from a wholesale distributor, the Department of Revenue shall provide a certificate of registration containing the following information:

(a) Wholesale distributor's legal name, address, and account number,

(b) Date of approval or issuance by the Department of Revenue,

(c) Statement of the purpose of the certificate.

The certificate of registration shall be conspicuously posted by the wholesale distributor.

(8) The Alabama Drycleaning Environmental Response Trust Fund fee shall be administered and collected in accordance with the uniform revenue procedures set forth in Chapter 2A of Title 40, Code of Ala. 1975 along with the procedures outlined in Section 22-30D-6.
Author: Mike Emfinger
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 22-30D-6(i).
History: **New Rule:** Filed May 8, 2001; effective June 12, 2001.

810-6-5-.36 Prepaid Wireless 9-1-1 Charge.

(1) Chapter 98 of Title 11, governs the operations of the Commercial Mobile Radio Service (CMRS) Board and imposes the CMRS

emergency telephone service charge, herein referred to as the "9-1-1 Charge." Under the provisions of §11-98-5.3, the department is required to administer and collect the 9-1-1 Charge imposed on retail sales of prepaid wireless telephone service. The CMRS Board will continue to collect the 9-1-1 Charge on postpaid service.

(2) For purposes of this rule, the following terms have the respective meanings ascribed by this section:

(a) The term "department" means the Alabama Department of Revenue.

(b) The term "prepaid retail transaction" means the purchase of prepaid wireless telecommunications service from a seller for any purpose other than resale.

(c) The term "prepaid wireless consumer" means a person who purchases prepaid wireless telecommunications service in a retail transaction.

(d) The term "prepaid wireless telephone service" means a service that meets all of the following requirements:

1. Authorizes the purchase of CMRS, either exclusively or in conjunction with other services.

2. Must be paid for in advance of the usage.

3. Is sold in units or dollars whose number or dollar value declines with use and is known on a continuous basis or provides for unlimited usage for a fixed period of time.

(e) The term "resale" means a sale of a prepaid wireless telecommunication service to a purchaser who acquires the service for the purpose of reselling it in the United States in the normal course of business in the form or condition in which it is purchased or as an integral part of a taxable item as defined in §40-23-1.

(f) The term "seller" means a person who sells prepaid wireless telecommunication services to any consumer. The term also includes those CMRS service providers who provide prepaid wireless service to their customers by either selling prepaid services at a retail location, via the Internet, on a telecommunication device, or otherwise.

(3) Unless otherwise defined herein, the definitions of terms set forth in Code of Ala. 1975, §11-98-1, are incorporated by reference herein.

(4) All sellers, including retailers and CMRS service providers, making sales of prepaid wireless telephone service must collect from the consumer the 9-1-1 Charge on prepaid retail transactions occurring in this state and report the number of taxable and non-taxable transactions and the amounts of 9-1-1 Charges collected to the department.

(5) The 9-1-1 Charge must be collected on each prepaid retail transaction regardless of whether the prepaid wireless telephone service is purchased in person, by telephone, through the Internet or by any other method by a consumer in Alabama.

(6) For purposes of retail transactions occurring via the Internet, or on a telecommunication device, the Prepaid Wireless 9-1-1 Charge must be collected on each transaction with a customer if that customer has a primary street or business address in Alabama and the customer is within the licensed service area of the CMRS provider. If the primary street or business address cannot be determined and if that customer has an area code designated as an area code for Alabama or a credit card billing address in Alabama, then the Prepaid Wireless 9-1-1 Charge must be collected from that customer. A flat rate of $2.23 per retail transaction will be effective January 1, 2024. The historical rates for the Prepaid Wireless 9-1-1 Charge are as follows: $.70 per retail transaction for the period of September 1, 2012 through September 30, 2013, $1.60 per retail transaction for the period of October 1, 2013 through July 31, 2014, $1.75 per retail transaction for the period of August 1, 2014 through December 31, 2018, and $1.86 per retail transaction for the period of January 1, 2019 through December 31, 2023.

(7) The 9-1-1 Charge collected on prepaid wireless service will be reported by the seller on a form entitled “Prepaid Wireless 9-1-1 Return.” Sellers are required to file their Prepaid Wireless 9-1-1 Returns electronically through the department’s online filing system, unless a waiver has been granted by the commissioner due to special circumstances.

(8) The 9-1-1 Charge on prepaid wireless telephone service is the liability of the consumer and not the seller or provider, except that the seller is liable to collect and remit all Prepaid Wireless 9-1-1 Charges on all qualifying transactions, including all instances where the seller has failed to separately state and collect the charge from the consumer. When the Prepaid Wireless 9-1-1 Charge is billed as a separate charge, the amount may not be included in the base for measuring any tax, fee, surcharge, or other charges that are imposed by this state, any political subdivisions of this state, or any intergovernmental agency.

(9) An allowance or discount of 4% of the 9-1-1 Charge collected, or deemed to be collected, on sales of prepaid wireless telephone service may be deducted on the return and retained by the seller.

(10) §11-98-5.3 provides that the department shall administer the 9-1-1 Charge on prepaid wireless telephone service under the same provisions and procedures applicable to the administration of state sales tax, which include the provisions in Chapter 1, Chapter 2A, and Chapter 23 of Title 40.

(11) All persons selling prepaid wireless telephone service to consumers in Alabama must apply for a Prepaid Wireless 9-1-1 Charge account number by contacting the department either online or through the Entity Registration Unit.

(12) The Prepaid Wireless 9-1-1 Charge Return and payment are due on or before the twentieth day of each calendar month for the preceding calendar month.

(13) If a return is not timely filed and/or paid, the seller will be assessed the appropriate penalties and interest as provided in §§40-2A-11 and 40-1-44.

(14) Transactions excluded from the Prepaid Wireless 9-1-1 Charge:

(a) The sale of prepaid wireless telephone service for resale.

(b) A sale of a minimal amount of service, sold for a single, non-itemized price as part of the purchase of a wireless communications device, the seller may elect not to apply the Prepaid Wireless 9-1-1 charge to the initial transaction. For these purposes, a service allotment denominated as 10 minutes or less, or $5 or less, is a minimal amount. If the seller elects to collect such charge, it must be reported with other prepaid communication charges.

(c) The seller is required to maintain records to verify that transactions on which the Prepaid Wireless 9-1-1 Charge was not collected are exempt. The record may be in paper or electronic format and must include details of the transaction including the date of the transaction, the customer’s name and address, the reason the exemption is claimed (9-1-1 Charge account number if applicable), and the invoice number. If the seller fails to maintain the records to substantiate that a transaction is not subject to the Prepaid Wireless 9-1-1 Charge, then the transactions will be subject to the charge.

(15) The Prepaid Wireless 9-1-1 Returns require the following information:

(a) Seller's Prepaid Wireless account number, legal name, and complete address,

(b) Period covered by the return and due date of the return,

(c) The number of transactions of sales of prepaid wireless service,

(d) The number of transactions not subject to the Prepaid Wireless 9-1-1 Charge,

(e) The number of transactions subject to the Prepaid Wireless 9-1-1 Charge,

(f) Amount of the Prepaid Wireless 9-1-1 Charge due,

(g) Allowance or discount of 4% of the Prepaid Wireless 9-1-1 Charge collected,

(h) Penalties due, if applicable,

(i) Interest due, if applicable,

(j) Credits claimed, if any

(k) Total amount due,

(l) Total amount remitted,

(m) An indication if payment of tax is made through electronic funds transfer (EFT), and

(n) Seller's signature, title, and date signed.

Author: Ginger Buchanan; Leslie Michaud; Christy Vandevender
Statutory Authority: Code of Ala. 1975, §§11-98-1, 11-98-5.3, 40-1-44, 40-2A-7(a)(5), 40-2A-11, 40-23-1.
History: **New Rule:** Filed November 19, 2012; effective December 24, 2012. **Amended:** Filed November 20, 2013; effective December 25, 2013. **Amended:** Filed September 15, 2014; effective October 20, 2014. **Amended:** Filed May 9, 2019; effective June 23, 2019. **Amended:** Published February 29, 2024; effective April 14, 2024.

810-6-5-.36.01 Sales Of Prepaid Wireless Service.

(1) The sale of prepaid wireless service constitutes the sale of tangible personal property subject to sales or use tax.

(2) Definitions.

(a) Prepaid wireless service. Mobile telecommunications service, which must be paid for in advance and that is sold in predetermined units or dollars of which the number declines with use or the expiration of time in a known amount, and which may include rights to use non-telecommunications services or to download digital products or digital content.

(b) Mobile telecommunications service contained in §40-21-120, Code of Ala. 1975, is incorporated by reference herein.

(3) Transactions Subject to Sales or Use Tax.

(a) Sales of prepaid telephone calling cards, prepaid authorization numbers, or both, constitute sales of tangible personal property subject to sales or use tax.

(b) The sale of prepaid wireless service that is evidenced by a physical card constitutes the sale of a prepaid telephone calling card, and

(c) The sale of prepaid wireless service that is not evidenced by a physical card constitutes the sale of a prepaid authorization number, including but not limited to, real time downloads, real time reloads, recharges, or other means that may be manually, electronically, or otherwise entered.

(4) Transactions Exempt from Sales Tax or Use Tax. For transactions that occurred prior to July 1, 2014, for which the consumer did not receive from the retailer either an authorization number or a physical card, neither the Department nor local tax officials may seek payment for sales tax not collected. This provision does not apply to audits that began or assessments that were entered prior to July 1, 2014. With regard to such transactions in which sales tax was collected and remitted, neither the taxpayer nor the entity remitting sales tax shall have the right to seek a refund of such tax.
Author: Ginger Buchanan. Lee Ann Rouse
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-1(13), 40-23-1(14) 40-23-31, 40-23-60(14).
History: New Rule: Filed February 20, 2015; effective March 27, 2015. **Amended:** Published November 30, 2021, effective January 14, 2022.

810-6-5-.37 Procedures For Beer And Wine Distributors Reporting Sales Of Beer And Wine For Resale In This State.

(1) The Wholesale to Retail Accountability Program (WRAP) at §40-23-260, Code of Ala. 1975, provides a definition for the term "seller" as used in this statute. A "seller" is a manufacturer, wholesaler, or distributor of beer, wine, or tobacco products who sells to a retailer in this state. The term also includes a wholesale club or warehouse club that sells tobacco under a membership.

(2) The WRAP requires that each licensed beer or wine distributor (seller) shall report sales of any beer or wine made to licensees

for which an exemption from sales or use tax collection was claimed at the time of the sale.

(3) This informational report includes the following:

(a) Seller's legal name.

(b) Seller's address.

(c) Invoice reporting period.

(d) Seller's Alcoholic Beverage Control Board (ABC Board) beverage license number.

(e) Seller's telephone number.

(f) Invoice date.

(g) Invoice number.

(h) Retailer's ABC Board beverage license number. (i) Retailer's sales tax account number (optional). (j) Retailer's name.

(k) Retailer's street address (including city, state and zip code).

(l) Total dollar amount sold for the reporting period.

(4) The informational report shall be due on or before the 20th day of the month next succeeding the month in which sales occur. The first informational report due to be filed electronically shall be for sales occurring on or after July 1, 2018. The department shall provide an electronic filing mechanism for submission of the informational report to the department.

(5) If a seller fails to properly file the required informational report in good faith with the department on or before the prescribed date, the following penalties shall apply on or after January 1, 2019, and each reporting period thereafter:

(a) The first violation shall result in a written notice from the department advising the seller of the non-compliance and the penalty for future non-compliance if the report is not filed within thirty (30) days.

(b) The second violation shall result in a penalty not to exceed five hundred dollars ($500). This penalty will apply if a delinquent report is not properly filed within thirty (30) days of the first notice provided under this paragraph or if a report was not properly filed for any period subsequent to one for which a first notice was previously issued.

(c) The third and each subsequent violation shall result in a penalty not to exceed one thousand dollars ($1,000).

(6) A licensed beer or wine distributor who donated beer or wine in the same manner as a retailer making a gift pursuant to §40-23-1(f) shall not be required to report such transaction on the informational report and is subject to the same exemption as a retailer making a gift pursuant to §40-23-1(f). (See Rule 810-6-1-.196)

(7) The report required pursuant to this rule does not modify any reporting requirements under §28-3-190(b), Code of Ala. 1975.
Author: Michele Mayberry
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-1(f), 40-23-31, 40-23-260.
History: **New Rule:** Filed April 9, 2018; effective May 24, 2018.

810-6-5-AA **Appendix A.**

DEPARTMENT OF REVENUE

ADMINISTRATIVE CODE

APPENDIX A

Attachment 810-6-5-.02	**Application For Sales Tax Certificate Of Exemption**
Attachment 810-6-5-.03	**Contractors Gross Receipts Tax Return**
Attachment 810-6-5-.09	**Rental Tax Return**
Attachment 810-6-5-.19.01	**Sellers Use Tax Return**
Attachment 810-6-5-.22	**4% Lodgings Tax Return**
Attachment 810-6-5-.26	**Application For A Utility Tax License**
Attachment 810-6-5-.26.01	**Application For A Mobile Communication Services Tax License**
Attachment 810-6-5-.26.02	**Application For Permit To Purchase Certain Utility Services**
Attachment 810-6-5-.26.05	**Application For State Utility/Mobile Communication Services Tax Certificate Of Exemption**
Attachment 810-6-5-.27	**Pharmaceutical Provider Tax Return**
Attachment 810-6-5-.27.01	**Nursing Facility Tax Return**
Attachment 810-6-5-.31	**City & County Tax Return**
Attachment 810-6-5-.32	**Hydroelectric Privilege License Tax Return**

ATTACHMENT 810-6-5-.02

Application For Sales Tax Certificate Of Exemption - Page 1

See Master Code for form

ATTACHMENT 810-6-5-.02

Application For Sales Tax Certificate Of Exemption - Page 2

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-31, 40-23-83.

History: **Amended:** Filed May 2, 1996; effective June 6, 1996.

ATTACHMENT 810-6-5-.03

Contractors Gross Receipts Tax Return

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-31, 40-23-50.

History: **Amended:** Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed July 29, 1996; effective September 2, 1997. (Form updated 7-29-96 - not certified)

ATTACHMENT 810-6-5-.09

Rental Tax Return

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-12-224, 40-23-31.

History: **Amended:** Filed February 26, 1996; effective April 1, 1996.

ATTACHMENT 810-6-5-.19.01

Sellers Use Tax Return

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-83.

History: **Amended:** Filed February 26, 1996; effective April 1, 1996.

ATTACHMENT 810-6-5-.22

S&U 2320
4/06

ALABAMA DEPARTMENT OF REVENUE

P.O. Box 327790 • Montgomery, AL 36132-7790 • (334) 242-1490

State Lodgings Tax Return

You may be required to file and pay this return online at:
www.revenue.alabama.gov/salestax/efiling.html
This return can also be filed by telephone at:
1-800-828-1727

☐ CHECK HERE IF BUSINESS HAS CLOSED

Account Number:
Period Covered:
Due Date:
Chain Number:

☐ CHECK HERE FOR ADDRESS CHANGE

TOTAL AMOUNT REMITTED
$

CHECK THIS BOX IF PAYMENT MADE THROUGH EFT ☐

IMPORTANT!
Report the 4% and 5% Lodgings Taxes on this return.
*See County List on back of return.

Address _____
City, County, State, Zip _____
Phone Number _____
Location Change ____ or Mailing Address Change ____
Effective Date of Change _____

A *COUNTY CODE	B COUNTY NAME	C GROSS LODGING RECEIPTS	D DEDUCTIONS	E MEASURE OF TAX	F TAX RATE	G AMOUNT DUE

TOTAL AMOUNT DUE ..... ▶
LESS DISCOUNT .....
PLUS PENALTY AND INTEREST .....
LESS CREDIT FOR PREVIOUS OVERPAYMENT.
NET AMOUNT DUE ..... ▶

Signature _____ Date _____

4% Counties

COUNTY CODE	COUNTY	COUNTY CODE	COUNTY
0100	Autauga	3400	Henry
0200	Baldwin	3500	Houston
0300	Barbour	3700	Jefferson
0400	Bibb	3800	Lamar
0600	Bullock	4100	Lee
0700	Butler	4300	Lowndes
0800	Calhoun	4400	Macon
0900	Chambers	4600	Marengo
1100	Chilton	4900	Mobile
1200	Choctaw	5000	Monroe
1300	Clarke	5100	Montgomery
1400	Clay	5300	Perry
1500	Cleburne	5400	Pickens
1600	Coffee	5500	Pike
1800	Conecuh	5600	Randolph
1900	Coosa	5700	Russell
2000	Covington	5800	Shelby
2100	Crenshaw	5900	St. Clair
2300	Dale	6000	Sumter
2400	Dallas	6100	Talladega
2600	Elmore	6200	Tallapoosa
2700	Escambia	6300	Tuscaloosa
2900	Fayette	6400	Walker
3100	Geneva	6500	Washington
3200	Greene	6600	Wilcox
3300	Hale		

5% Counties

COUNTY CODE	COUNTY
0500	Blount
1000	Cherokee
1700	Colbert
2200	Cullman
2500	DeKalb
2800	Etowah
3000	Franklin
3600	Jackson
3900	Lauderdale
4000	Lawrence
4200	Limestone
4500	Madison
4700	Marion
4800	Marshall
5200	Morgan
6700	Winston

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26-19.

History: Amended: Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed August 24, 2007; effective September 28, 2007.

ATTACHMENT 810-6-5-.26

Application For A Utility Tax License

See Master Code for form

ATTACHMENT 810-6-5-.26

Application For A Utility Tax License (Page 2)

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-21-85, 40-21-106, 40-23-31, 40-23-83.

History: Amended: Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed March 2, 2000; effective April 6, 2000.

ATTACHMENT 810-6-5-.26.01

Application For A Cellular Services Tax License

See Master Code for form

ATTACHMENT 810-6-5-.26.01

Application For A Cellular Services Tax License (Page 2)

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-21-85, 40-21-123, 40-23-31.

History: Amended: Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed March 2, 2000; effective April 6, 2000. **Amended:** Filed April 19, 2002; effective May 24, 2002.

ATTACHMENT 810-6-5-.26.02

Application For Permit To Purchase Certain Utility Services

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-21-85, 40-23-31.

History: Amended: Filed February 26, 1996; effective April 1, 1996.

ATTACHMENT 810-6-5-.26.05

Application for State Utility/Mobile Communication Services Tax Certificate of Exemption (Page 1 of 2)

See Master Code for copy of form.

ATTACHMENT 810-6-5-.26.05

Application for State Utility/Mobile Communication Services Tax Certificate of Exemption (Page 2 of 2)

See Master Code for copy of form.

Author: Dan DeVaughn

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-2A-3(13), 40-21-80, 40-21-85, 40-21-88, 40-21-123, 40-21-125, 40-23-31.

History: New Form (Certified): Filed March 2, 2000, effective April 6, 2000. **Amended:** Filed April 19, 2002; effective May 24, 2002.

ATTACHMENT 810-6-5-.27

Pharmaceutical Provider Tax Return

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26B-4(a), 40-26B-5(c).

History: Amended: Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed September 11, 2002; effective October 16, 2002.

ATTACHMENT 810-6-5-.27.01

Nursing Facility Tax Return

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26B-23(a), 40-26B-24(c).

History: Amended: Filed February 26, 1996; effective April 1, 1996.

ATTACHMENT 810-6-5-.31

City & County Tax Return (multiple jurisdiction)

Page 1 of 3

See master code for copy of form

ATTACHMENT 810-6-5-.31

City & County Tax Return (multiple jurisdiction)

Page 2 of 3

See master code for copy of form

ATTACHMENT 810-6-5-.31

City & County Tax Return (multiple jurisdiction)

Page 3 of 3

See master code for copy of form

Author:

Statutory Authority: Code of Ala. 1975, §§11-51-210(a), 40-2A-7(a)(5), 40-23-31, 40-23-83.

History: New Form (Certified): Filed November 23, 1998; effective December 28, 1998.

ATTACHMENT 810-6-5-.32

Hydroelectric Privilege License Tax Return

See master code for copy of form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-21-56.

History: New Form (Certified): Filed November 23, 1998; effective December 28, 1998.

810-6-5-AB **Appendix B.**

DEPARTMENT OF REVENUE

ADMINISTRATIVE CODE

APPENDIX B

Attachment 810-6-5-.02	**Sales And Use Tax Certificate Of Exemption Pursuant To Sales And Use Tax Regulation 810-6-5-.02**
Attachment 810-6-5-.19.01	**Consumers Use Tax Return**
Attachment 810-6-5-.22	**North Alabama Special 5% Lodgings Tax Return**
Attachment 810-6-5-.26	**Utility Privilege License Tax Return**
Attachment 810-6-5-.26.01	**Mobile Communication Services Tax Return**
Attachment 810-6-5-.26.02	**Permit To Purchase Certain Utility Services Without The Payment To The Vendor Of The Utility Tax**
Attachment 810-6-5-.26.05	**Instructions on Use of Utility/ Mobile Communication Services Tax Exemption Certificate**
Attachment 810-6-5-.31	**City And County Tax Return**

ATTACHMENT 810-6-5-.02

Sales And Use Tax Certificate Of Exemption

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-31, 40-23-83.

History: Amended: Filed May 2, 1996; effective June 6, 1996.

ATTACHMENT 810-6-5-.19.01

Consumers Use Tax Return

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-23-83.

History: Amended: Filed February 26, 1996; effective April 1, 1996.

ATTACHMENT 810-6-5-.22

NORTH ALABAMA SPECIAL 5% LODGINGS TAX RETURN

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-26-19.

History: Amended: Filed February 26, 1996; effective April 1, 1996.

ATTACHMENT 810-6-5-.26

ALABAMA DEPARTMENT OF REVENUE
SALES & USE TAX DIVISION
PO BOX 327755, MONTGOMERY AL 36132-7755

ST:UPL-4
Revised 9/11

SC

UTILITY PRIVILEGE LICENSE TAX RETURN

ACCOUNT NUMBER	REPORT FOR THE MONTH OF	DUE DATE

INSTRUCTIONS

Returns filed after the due date are subject to a "failure to timely file" penalty equal to the greater of 10% of the tax required to be paid on the return or $50.00. Tax payments received after the due date are subject to a "failure to timely pay" penalty equal to 10% of the delinquent tax. If the tax is not timely paid, interest is also due at the same rate established by the Secretary of the Treasury under authority of 26 USC 6621.

CHECK THIS BOX IF PAYMENT MADE THROUGH ELECTRONIC FUNDS TRANSFER (EFT) ☐

ITEM 1 should only be completed by taxpayers whose average monthly tax liability was $10,000 or more for the last calendar year.

1. ESTIMATE FOR CURRENT MONTH OF _____ 20____

   ESTIMATE OF TAX DUE (at least equal to the actual tax liability for the same calendar month of the preceding year) _____

	TOTAL	EXEMPT	TAXABLE
2. (a) Receipts from sales of electricity			
(b) Receipts from sales of natural gas			
(c) Receipts from sales of domestic water			
(d) Receipts from sales of local and intrastate telephone services			
(e) Receipts from sales of interstate telephone services			
(f) Receipts from sales of telegraph services			
3. Total receipts			

SCHEDULE FOR COMPUTATION OF TAX

4. If monthly taxable receipts from furnishing electricity, natural gas or domestic water respecting each person are:	The tax is:	NO. OF ACCTS.	TAXABLE RECEIPTS	TAX DUE
(a) Not over $40,000	4% of taxable amount			
(b) Over $40,000 but not over $60,000	$1,600 plus 3% of excess over $40,000			
(c) Over $60,000	$2,200 plus 2% of excess over $60,000			

5. (a) Telephone/telegraph tax due (6% of taxable telephone and telegraph receipts)		
(b) LESS COLLECTION ALLOWANCE (1/4 of 1% of Line 5a)		
6. TOTAL TELEPHONE/TELEGRAPH TAX DUE (Line 5a minus 5b)		
7. TOTAL UTILITY TAX DUE - Total of Lines 4 a, b, c, and 6		
8. LESS PAYMENT OF ESTIMATE MADE ON PREVIOUS MONTH'S REPORT (applies only to taxpayers required to make estimated payments)		
9. BALANCE DUE (Line 7 minus Line 8)		
10. TOTAL TAX DUE (Total of Lines 1 and 9)		
11. ADD PENALTY AND INTEREST (See Instructions)		
12. LESS CREDIT FOR PREVIOUS OVERPAYMENT		
13. TOTAL AMOUNT REMITTED		

RVSTN3 (09-23-2011)

FOR OFFICIAL USE ONLY		
Balance of Tax		
Interest		
Penalty		
Total		

SIGNATURE: _____

TITLE: _____

DATE: _____

MAIL RETURN AND REMITTANCE TO THE ADDRESS AT TOP OF FORM

CONTROL NUMBER

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-21-85, 40-21-106, 40-23-31, 40-23-83.

History: Amended: Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed November 3, 2011; effective December 8, 2011.

ATTACHMENT 810-6-5-.26.01

ALABAMA DEPARTMENT OF REVENUE
SALES & USE TAX DIVISION
PO BOX 327755, MONTGOMERY AL 36132-7755

ST:CTS-2
Revised 9/11

SZ

MOBILE COMMUNICATION SERVICES TAX RETURN

ACCOUNT NUMBER	REPORT FOR THE MONTH OF	DUE DATE

INSTRUCTIONS

Returns filed after the due date are subject to a "failure to timely file" penalty equal to the greater of 10% of the tax required to be paid on the return or $50.00. Tax payments received after the due date are subject to a "failure to timely pay" penalty equal to 10% of the delinquent tax. If the tax is not timely paid, interest is also due at the same rate established by the Secretary of the Treasury under authority of 26 USC 6621.

CHECK THIS BOX IF PAYMENT MADE THROUGH ELECTRONIC FUNDS TRANSFER (EFT) ☐

ITEM 1 should only be completed by taxpayers whose average monthly tax liability was $10,000 or more for the last calendar year.

1. ESTIMATE FOR CURRENT MONTH OF _____ 20____

   ESTIMATE OF TAX DUE (at least equal to the actual tax liability for the same calendar month of the preceding year) _____

	TOTAL	EXEMPT	TAXABLE
2. (a) Receipts from furnishing of commercial mobile radio services			
(b) Receipts from furnishing of paging/beeper services			
(c) Receipts from furnishing of other mobile services			
3. Total receipts			

COMPUTATION OF TAX

	TAX DUE
4. TOTAL AMOUNT OF TAX - (6% of total taxable receipts)	
5. (a) LESS COLLECTION ALLOWANCE (1/4 of 1% of Line 4)	
(b) TOTAL MOBILE COMMUNICATION SERVICES TAX DUE (Line 4 minus Line 5(a))	
6. LESS PAYMENT OF ESTIMATE MADE ON PREVIOUS MONTH'S REPORT (applies only to taxpayers required to make estimated payments)	
7. BALANCE DUE (Line 5(b) minus Line 6)	
8. TOTAL TAX DUE (Total of Lines 1 and 7)	
9. ADD PENALTY AND INTEREST (See Instructions)	
10. LESS CREDIT FOR PREVIOUS OVERPAYMENT	
11. TOTAL AMOUNT REMITTED	

RVSTL2 (09-22-2011)

FOR OFFICIAL USE ONLY	
Balance of Tax	
Interest	
Penalty	
Total	

SIGNATURE: _____

TITLE: _____

DATE: _____

MAIL RETURN AND REMITTANCE TO THE ADDRESS AT TOP OF FORM

CONTROL NUMBER

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-21-85, 40-21-123, 40-23-31.

History: Amended: Filed February 26, 1996; effective April 1, 1996. **Amended:** Filed April 19, 2002; effective May 24, 2002. **Amended:** Filed November 3, 2011; effective December 8, 2011.

ATTACHMENT 810-6-5-.26.02

Permit To Purchase Certain Utility Services Without The Payment To The Vendor Of The Utility Tax

See Master Code for form

ATTACHMENT 810-6-5-.26.02

Permit To Purchase Certain Utility Services Without The Payment To The Vendor Of The Utility Tax (Page 2)

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-21-85, 40-23-31.

History: Amended: Filed February 26, 1996; effective April 1, 1996.

ATTACHMENT 810-6-5-.26.05

Instructions on Use of Utility/Mobile Communication Services Tax Exemption Certificate

See master code for copy of form

Author: Dan DeVaughn

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-2A-3(13), 40-21-80, 40-21-85, 40-21-88, 40-21-123, 40-21-125, 40-23-31.

History: New Form (Certified): Filed March 2, 2000, effective April 6, 2000. **Amended:** Filed April 19, 2002; effective May 24, 2002.

ATTACHMENT 810-6-5-.31

City and County Tax Return (single jurisdiction)

See master code for copy of form
Author:

Statutory Authority: Code of Ala. 1975, §§11-51-210(a), 40-2A-7(a)(5), 40-23-31, 40-23-83.
History: New Form (Certified): Filed November 23, 1998; effective December 28, 1998.

810-6-5-AC **Appendix C.**

DEPARTMENT OF REVENUE

ADMINISTRATIVE CODE

APPENDIX C

Attachment 810-6-5-.26 **Utility Excise Tax Return**

Attachment 810-6-5-.26.02 **Utility Privilege License Tax Return Direct Pay Permit**

ATTACHMENT 810-6-5-.26

Utility Excise Tax Return

See Master Code for form

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-21-85, 40-21-106, 40-23-31, 40-23-83.

History: Amended: Filed February 26, 1996; effective April 1, 1996.

ATTACHMENT 810-6-5-.26.02

ALABAMA DEPARTMENT OF REVENUE
SALES & USE TAX DIVISION
PO BOX 327755, MONTGOMERY AL 36132-7755

ST:UPL-5
Revised 10/11

SC

UTILITY PRIVILEGE LICENSE TAX RETURN
DIRECT PAY PERMIT

ACCOUNT NUMBER	REPORT FOR THE MONTH OF	DUE DATE

INSTRUCTIONS

Returns filed after the due date are subject to a "failure to timely file" penalty equal to the greater of 10% of the tax required to be paid on the return or $50.00. Tax payments received after the due date are subject to a "failure to timely pay" penalty equal to 10% of the delinquent tax. If the tax is not timely paid, interest is also due at the same rate established by the Secretary of the Treasury under authority of 26 USC 6621.

CHECK THIS BOX IF PAYMENT MADE THROUGH ELECTRONIC FUNDS TRANSFER (EFT) ☐

ITEM 1 should only be completed by taxpayers whose average monthly tax liability was $10,000 or more for the last calendar year.

1. ESTIMATE FOR CURRENT MONTH OF _____ 20 ____
   ESTIMATE OF TAX DUE (at least equal to the actual tax liability for the same calendar month of the preceding year) _____

2A. If taxable purchases of electricity, natural gas or domestic water from _____

are:	The tax is:	TAXABLE PURCHASES	TAX DUE
(a) Not over $40,000	4% of taxable purchases		
(b) Over $40,000 but not over $60,000	$1,600 plus 3% of excess over $40,000		
(c) Over $60,000	$2,200 plus 2% of excess over $60,000		

B. If taxable purchases of electricity, natural gas or domestic water from _____

are:	The tax is:	TAXABLE PURCHASES	TAX DUE
(a) Not over $40,000	4% of taxable purchases		
(b) Over $40,000 but not over $60,000	$1,600 plus 3% of excess over $40,000		
(c) Over $60,000	$2,200 plus 2% of excess over $60,000		

C. If taxable purchases of electricity, natural gas or domestic water from _____

are:	The tax is:	TAXABLE PURCHASES	TAX DUE
(a) Not over $40,000	4% of taxable purchases		
(b) Over $40,000 but not over $60,000	$1,600 plus 3% of excess over $40,000		
(c) Over $60,000	$2,200 plus 2% of excess over $60,000		

	TAXABLE PURCHASES	TAX DUE
3. 6% tax on purchases of interstate telephone and telegraph services from _____		
4. 6% tax on purchases of local and intrastate telephone and telegraph services from _____		

5. TOTAL TAX DUE - Total of Items 2, 3 and 4	
6. LESS PAYMENT OF ESTIMATE MADE ON PREVIOUS MONTH'S REPORT (applies only to taxpayers required to make estimated payments)	
7. BALANCE DUE (Line 5 minus Line 6)	
8. TOTAL TAX DUE (Total of Lines 1 and 7)	
9. ADD PENALTY AND INTEREST (See Instructions)	
10. LESS CREDIT FOR PREVIOUS OVERPAYMENT	
11. TOTAL AMOUNT REMITTED	

RVSTN1 (10-7-2011)

FOR OFFICIAL USE ONLY		
Balance of Tax		
Interest		
Penalty		
Total		

SIGNATURE: _____

TITLE: _____

DATE: _____

MAIL RETURN AND REMITTANCE TO THE ADDRESS AT TOP OF FORM

CONTROL NUMBER

Author:

Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-21-85, 40-23-31.

History: **Amended**: Filed February 26, 1996; effective April 1, 1996. **Amended**: Filed November 3, 2011; effective December 8, 2011.