

ALABAMA DEPARTMENT OF REVENUE  
ADMINISTRATIVE CODE

CHAPTER 810-6-2  
TAXES LEVIED ON GROSS SALES AND GROSS RECEIPTS; APPLICABLE TAX  
RATES

810-6-2-.107      Wholesale Sales.

(1) Record of sales at wholesale to be kept. In the court case State of Alabama v. Levey, 29 So. 2d 129, the Alabama Supreme Court held that suitable records of wholesale sales must be kept in accordance with the provisions of the Sales and Use Tax Laws in order to claim nontaxability for such sales.

(2) "We pointed out that the taxpayer kept no proper record to indicate these sales or differentiate them from the remainder of the gross sales shown on his general ledger. He, himself, said this and testified his charge tickets, which had been destroyed, were his only records to distinguish such sales. Other evidence was of like import."

(3) "We have construed the pertinent provisions of Title 51, noted above, as requiring the keeping of accurate records of such exempt sales if they are to escape taxation; and noncompliance gives authority to the tax department to disregard such a claim of exemption and, on a proper showing of liability to levy the tax on the gross, as for retail sales, as the provisions of the statute contemplate." §40-23-2(1)

**Author:**

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

**History:**