

**ALABAMA DEPARTMENT OF REVENUE - SALES AND USE TAX RULES**  
**Code of Alabama 1975, Sections 40-23-31 and 40-23-83**

**810-6-1-.02. Advertising Agencies.**

Advertising agencies perform a service in formulating ideas and programs for advertising purposes. All materials purchased by an advertising agency including, but not limited to, brochures, drawing supplies, photographic supplies, and office supplies are consumed by the agency in performing the service and are subject to the tax at the time of purchase. The subsequent transfers of brochures and other materials to the agencies' clients are not classed as retail sales subject to the tax. Amended to conform to the decision of the Alabama Court of Civil Appeals in the case State of Alabama v. Douglas M. Harrison, d/b/a Douglas M. Harrison Advertising. (Adopted May 26, 1961, amended November 3, 1980, readopted through APA effective October 1, 1982.)