

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

810-6-2-.27. Gold, Coin and Bullion.

(1) Sales of gold in coin, bullion, nugget, flake or other form to purchasers within the State are subject to the retail sales or use tax. In any form other than as a mineral in place, not yet extracted, gold is tangible personal property subject to the usual rules of taxation. Therefore, exemption is allowed only if the sale is for resale in the regular course of business or if the gold becomes an ingredient or a component of a new article for sale. Sales to purchasers for investment or speculation are fully taxable and are treated as sales of coins, stamps, paintings, antiques or other valuables purchased by collectors. When applicable, the tax is measured by the full selling price without deductions for brokerage fees, service fees or premiums included in the gross price.

(2) Following are a few guidelines for the taxation of gold:

(a) Gold purchased and delivered outside the State is subject to use tax at the time it is brought into the State.

(b) Sales of gold to persons who take only a document of ownership covering gold remaining outside of the State are exempt from sales and use tax.

(c) Sales to persons who use gold in the rendition of professional or commercial services such as dentists or dental laboratories are taxable.

(d) Agents, including gold jobbers and brokers, who sell gold at retail in their own name must collect retail sales tax thereon. (Section 40-23-2(1)) (Adopted July 2, 1975, readopted through APA effective October 1, 1982)