

810-8-7-.05 Producer's Responsibility to Collect and Remit the Tax. **(NEW RULE)**

(1) It is the producer's responsibility to collect the tax from the first purchaser at the time of sale or delivery unless the severed materials qualify for an exemption. The tax attaches at the point the products are sold or delivered by a producer to the first purchaser provided the product is transported on the public roads in the State.

(2) The producer must identify the tax on a bill of sale, invoice or other similar sales document to the purchaser of the severed materials unless said product qualifies for exemption.

(3) Producers failing to identify the tax on the sales document or failing to collect the identified tax from the purchaser must remit the tax to the Department as if it was identified and collected.

(4) Producers claiming an exemption must obtain the following information from the purchaser:

- (a) Name,
- (b) Address,
- (c) Date of sale,
- (d) Type product sold,
- (e) Product usage,
- (f) Reason for the exemption,

(g) Mode of transportation (if claiming product was not transported on the public roads in this State), and

(h) A statement that the severed materials will be used by an exempt entity or used for an exempt purpose.

(5) Producer must maintain copies of the required exemption documentation and submit this information to the Department upon request.

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Authority: Title 40, Code of Alabama 1975, Sections 40-2A-7(a)(5) and 40-13-55

History: