



JULIE P. MAGEE
Commissioner

State of Alabama Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
Montgomery, Alabama 36132

MICHAEL E. MASON
Assistant Commissioner

JOE W. GARRETT, JR.
Deputy Commissioner

CURTIS E. STEWART
Deputy Commissioner

Alabama Department of Revenue NOTICE

To all persons, firms and corporations making retail sales of tangible personal property into the State of Alabama:

The Department offers the following tax guidance to all out-of-state sellers who lack a physical presence in Alabama but who are making retail sales of tangible personal property into the state and have a substantial economic presence in Alabama for sales and use tax purposes.

Sales and Use Tax Rule Number 810-6-2-.90.03, entitled *Requirements for Certain Out-of-State Sellers Making Significant Sales into Alabama*, became effective October 22, 2015, applying to all transactions occurring on or after January 1, 2016. Pursuant to this rule, an out-of-state seller with a substantial economic presence in Alabama will be required to collect and remit Alabama tax on its sales into the state, regardless of whether it has an Alabama physical presence. The rule imposes a collection obligation on out-of-state sellers who engage in one or more of the activities listed in Code of Alabama 1975, Section 40-23-68, activities subjecting out-of-state sellers to the state's sellers use tax levy, and who had \$250,000 or more in retail sales sold into Alabama in the previous year.

Out-of-state sellers may satisfy the rule's requirements by collecting, reporting and remitting tax on sales made into Alabama pursuant to the provisions of Article 2, Chapter 23 of Title 40, Code of Alabama 1975, or by participating in the Simplified Sellers Use Tax Remittance Program, a program which offers simplified collection, reporting and remitting to eligible out-of-state sellers. Eligible out-of-state sellers choosing to participate in the Simplified Sellers Use Tax Remittance Program collect one rate of tax, file one return reporting the tax, and keep a percentage of collections as compensation for compliance.