

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

810-6-1-.133. Pump Installed by a Contractor.

(1) A contractor who installs a pump for a county or incorporated municipality of the State of Alabama is required to pay tax on his or her purchase of the pump. The pump is in the same category as any other building materials which become affixed to realty. When title to a pump installed under contract passes from the contractor to the landowner, it has ceased to be personal property and has become real property. (Sections 40-23-1(a)(10) and 40-23-60(5))

(2) On and after January 1, 2014, the sale of a pump to, or the storage, use, or consumption of a pump by, any contractor or subcontractor to be incorporated into realty pursuant to a contract with any county or incorporated municipality of the State of Alabama awarded on or after January 1, 2014, is exempt from state, county, and municipal sales and use taxes provided the contractor or subcontractor has complied with Rule 810-6-3-.77 entitled Exemption of Certain Purchases by Contractors and Subcontractors in conjunction with Construction Contracts with Certain Governmental Entities. (Act No. 2013-205) (Sections 40-2A-7(a)(5), 40-23-1(a)(10), 40-23-31, 40-23-60(5), 40-23-83, Code of Alabama 1975) (Readopted through APA effective October 1, 1982, amended March 27, 2001, amended June 10, 2005, amended December 25, 2013)