

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

**810-6-1-.173. Tin Shops.**

(1) Tin shops are usually found to be engaged in contracting, selling, manufacturing, and repairing. Because of the complex nature of these businesses, they ordinarily will be set up to purchase all of their materials at wholesale, tax free, with tax to be paid direct to the Department of Revenue as sales tax on use and sales.

(2) As contractors making additions to real property, tax should be paid on the cost price of materials which are used in the form received from the suppliers. Where the property installed is manufactured by the tin shop operators in their shops, sales tax is to be paid measured by the reasonable and fair market value of the property. (See rule entitled Building Materials Manufactured by Contractors.)

(3) As vendors making direct sales, sales tax is due measured by the sales price of the property sold.

(4) As repairmen, the sales tax is due on the cost of materials and supplies used or the sales price of the property transferred in the transactions, as the case may be. (See rule 810-6-1-.95 entitled Materials Used in Repairing, for ruling with regard to use and sale of materials used in repairing.) (Section 40-23-1(a)(10)) (Readopted through APA effective October 1, 1982)