

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

810-6-2-.78. Repairs, Machine.

(1) When repairs require service only or service with the use of an inconsequential amount of materials, the amount received is not subject to tax.

(2) When materials and service are used in repairing machines taxed at the special machine rate and when there is no separation in the billing, both materials and services are to be included in gross proceeds of sales at the special rate.

(3) When materials and service are used in repairing machines taxed at the special machine rate with service and materials shown separately, the materials only are subject to the tax.

(4) Materials are taxable at the general rate in any event when sold to repairmen for use in making repairs when such materials lose their identity as the result of such use; for instance, paint, solder, lumber, and sheet metal.

(5) When both materials and services are used in repairing machines taxed at the general rate and when there is no separation in the billing, both materials and services are to be included in the measure of tax to be paid. Both are taxed at the general rate. When the materials are shown separately on the invoice, the materials only are taxable.

(6) Also see rule 810-6-1-.95 entitled Materials Used in Repairing.

(Section 40-23-2(3)) (Adopted March 9, 1961, amended November 1, 1963, readopted through APA effective October 1, 1982)