

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

810-6-3-.12. Cotton Seed Meal Exchanged for Cotton Seed.

Cotton seed meal exchanged for cotton seed in a transaction taking place at a cotton gin is not subject to sales or use tax. The exchange may be either between the owner of the seed and the ginner or between the owner of the seed and a third party who takes possession of the seed at the gin. Where the cotton seed is delivered at the gin to the ginner or to the third party, the transaction may be completed by acceptance of the cotton seed meal at a warehouse or other storage place not at the gin without loss of the exemption. Where the cotton seed meal given in exchange is of greater value than the cotton seed received, the ginner or third party shall collect and pay to the State of Alabama sales tax measured by the amount received in payment of the difference. (Section 40-23-4(a)(6)) (Readopted through APA effective October 1, 1982)