

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

**810-6-3-.47.06. Public Schools, Public School Principals or Teachers, Etc., Sales to.**

(1) Sales of tangible personal property to public schools or for use therein shall not be subject to tax under the following circumstances:

(a) Where the property is sold pursuant to the purchase order issued by the State of Alabama or a county or city of the state or any instrumentality thereof.

(b) Where the property is sold pursuant to a certificate as provided for by Sales and Use Tax rule 810-6-3-.47.04 entitled Sales to Public Schools.

(c) Where the property is sold for use in school lunchrooms in preparing meals to be sold to school children in school buildings, not for profit.

(d) Where the property sold is for resale in the school to students for consumption on the school premises or for use in the preparation of lessons and where the sales are made under the supervision and control of the school principal and with no profit to any individual.

(e) Where purchases of items for resale through fund raising projects are made by organizations such as Beta Clubs, Hi-Y Clubs, band clubs, athletic clubs, civic clubs, and class organizations under the control and supervision of the administrative head of the school. (State of Alabama v. Monk and Associates, Inc.)

(2) Vendors making sales to public school principals or teachers must treat as subject to sales tax any sales of property for the private and personal use of any individual except as noted above.

(3) Vendors making sales to students for their personal use cannot claim exemption even though such sales may be made through the school principal or a teacher or an organized group affiliated with the institution.

(4) The records to be maintained by vendors making sales to public school principals in order to establish an exemption under this rule shall include a copy of the vendor's invoice giving the name of the school, the name of the principal, and a description of the goods; provided, it will not be necessary to have the principal sign the purchase order where delivery is made to a school lunchroom or to a school supply store regularly making purchases of property exempted under this rule. It is further provided that a signed purchase order alone will not guarantee exemption to a vendor where the goods sold would not customarily be used for educational purposes. In instances of such sales, the vendor must be prepared to prove that the goods were used in connection with a recognized and approved public school program under the supervision and control of the school officials.

(5) Examples of vendors' sales which would not be subject to sales tax:

(a) Sales of food or supplies to school lunchrooms.

(Continued)

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**810-6-3-.47.06. (Continued)**

(b) Sales of cold drinks, milk, ice cream, and school supplies to an established school supply store operated under the supervision and control of the school principal.

(c) Sales of classroom supplies to a principal or teacher pursuant to properly executed purchase orders signed by the administrative head of the school.

(d) Sales of fuel delivered to a public school for school use.

(6) Examples of vendors' sales which would be subject to sales tax:

(a) Sale of desk set to a principal for his personal use.

(b) Sales of class rings to students, either directly to the students or through a teacher or school organization.

(c) Sales of school photographs either directly to students or to students through a teacher or a school organization.

(d) Sales of sweaters and jackets to students either directly to students or to students through a teacher or a school organization.

(7) Such property listed in paragraph 6(b) through 6(d) is not school property and is not used for school purposes, but becomes solely the property of the student who ultimately pays for the item. (Hibbett Sporting Goods, Inc. v. State of Alabama.) (Section 40-23-4(a)(11)) (Amended October 29, 1976, readopted through APA effective October 1, 1982)