

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

810-6-1-.100. Meals, Snacks, Drinks, and Beverages Served in Alabama by Railroads, Airlines, and other Transportation Companies.

(1) Sales of meals, snacks, drinks, and beverages to passengers by railroads, airlines, steamships, and other transportation companies within this state are subject to sales tax, provided the meals, snacks, drinks, or beverages are served to the passengers while still in Alabama. (Sections 40-23-1(a)(10) and 40-23-2(1), Code of Alabama 1975)

(2) Meals, snacks, drinks, and beverages served in Alabama by a transportation company as a part of its transportation service are retail sales subject to sales tax when the transportation company includes in the ticket price an amount to cover the selling price of the meal, snack, drink, or beverage. The amount for the meal included in the selling price of the ticket is the measure of tax. (State v. Hertz Skycenter, Inc., 294 Ala. 336, 317 So. 2d 324 (1975) and State v. Delta Air Lines, 356 So. 2d 1205 (Ala. Civ. App. 1978). (Amended October 29, 1976, amended June 12, 1978, readopted through APA effective October 1, 1982, amended July 30, 1998)