

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

**810-6-1-.97. Materials Used on Road and Bridge Projects.**

(1) Sales of sand, gravel, or other building materials by landowners or other suppliers who regularly sell or offer to sell these materials are subject to sales tax when made to contractors for the State of Alabama or the counties or municipalities of the State for use by the contractors in building roads or bridges. This rule applies in all instances where the contractor is obligated by the terms of the contract to furnish, to pay for, and to lay down the materials, including sales of materials which have been selected by and on which an option has been taken by the state or the counties or municipalities of the State. The supplier shall collect the tax from the contractor and remit the amount due to the Department of Revenue. (Sections 40-23-1(a)(10) and 40-23-60(5))

(2) Where an isolated sale of sand, gravel, or similar material is made to a contractor by a landowner who is not engaged in the business of selling such material, the isolated sale will not be required to be reported to the Department and neither sales tax nor use tax will be due from the landowner or from the contractor on the transaction. (Sections 40-2A-7(a)(5), 40-23-1(a)(10), 40-23-31, 40-23-60(5), and 40-23-83, Code of Alabama 1975) (Readopted through APA effective October 1, 1982, amended March 27, 2001, amended June 10, 2005, amended December 25, 2013)