

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

810-6-1-.98. Mattress Renovation.

(1) A mattress renovator both renders service and sells tangible personal property where he rebuilds or renovates a mattress for his customer by reworking the materials in the customer's mattress, the identity of which is maintained throughout the operation, and by adding thereto whatever new materials are required to complete the job in a satisfactory matter. Under these circumstances, the mattress renovator may make separate contracts to render the service required and to sell the tangible personal property used (ticking, cotton, springs, tufts, etc.) in which case the receipts from rendering service are not subject to sales tax where the invoice rendered to the customer and the records of the renovator show separately sales of tangible personal property and charges for performing services. Provided, however, where work of this nature is done for a lump sum without separation of charges for tangible personal property and for services, the sales tax shall apply to the lump sum amount.

(2) In instances where the identity of the customer's mattress is not preserved with the mattress delivered to the customer having been made from whatever materials were available, the mattress returned to the customer is considered a new article, the measure of the tax being the amount paid by the customer including the value of the customer's old mattress. The mattress renovator purchases at wholesale tax free the materials he uses in renovating or rebuilding his customer's mattress. (Section 40-23-2(1)) (Readopted through APA effective October 1, 1982)