

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

810-6-2-.14. Cotton Gins.

(1) Cotton gin machinery and equipment used in separating lint from seed, in cleaning and conditioning lint, in baling lint, the engines or motors furnishing the power for such separating, cleaning, conditioning and baling, and the equipment used to carry the cotton lint and seed, from step to step in the ginning process are taxed at the special machine rate of 1 1/2%. The equipment which carries the seed cotton directly into the first processing machine and the blower which discharges the seed from the gin are considered to be attachments to the processing machines and therefore, are also taxed at the special rate.

(2) The special rate does not, however, apply to conveyor equipment used in unloading seed cotton and putting it into storage and does not apply to moving cotton seed from the gin to storage and from storage into transport equipment. Other equipment and materials which are taxed at the general 4% rate are scales of all description and building materials used in the construction of the gin house and storage facilities. (Sections 40-23-2(3) and 40-23-2(1)) (Adopted March 9, 1961, amended November 1, 1963, readopted through APA effective October 1, 1982)