

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

810-6-2-.41. Machines Furnished and Installed by Building Contractors.

(1) The 1 1/2% tax rate shall apply where a building contractor purchases for installation under a building contract machines and parts or attachments for machines which are to be used in mining, quarrying, manufacturing, compounding or processing. The parts or attachments to come under the special 1 1/2% rate must be made or manufactured for such use and customarily so used.

(2) On the other hand, building materials when used as such cannot come within the special 1 1/2% levy when purchased by a contractor or by a manufacturer regardless of whether or not the structure made therefrom may be used in mining, quarrying, manufacturing, compounding or processing. (Sections 40-23-2(3), 40-23-1(a)(10)) (Readopted through APA effective October 1, 1982)