

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

810-6-2-98. Equipment Used by Television, Cable TV, and Radio Stations.

(1) Amplifiers used in broadcasting by television, cable tv, and radio stations are machines used in processing tangible personal property. State of Alabama v. The Television Corporation, 271 Ala. 692, 127 So.2d 603, Mountain Brook Cablevision, Inc. v. State of Alabama, CV-82-1469-TH (Cir. Ct. Montgomery County February 25, 1983) and Cablevision Company, Inc. v. State of Alabama CV-82-1470-TH (Cir. Ct. Montgomery County February 25, 1983). (See Curry v. Alabama Power Company, 243 Alabama 53, 8 So.2d 521, holding that electricity is tangible personal property within the meaning of that term as used in the sales and use tax statutes.)

(2) When used in broadcasting by television, cable tv, and radio stations, equipment, which amplifies, modifies, or otherwise controls electrical currents and signals imposed on electrical current and the attendant electromagnetic waves, qualifies as a machine used in processing tangible personal property and is subject to the reduced machine rate of tax. Examples of this equipment include, but are not limited to, traps, receivers, video sequencers, filters, data scanners, taps, character generators, equalizers, modulators and modules, power supplies and standby power supplies, attenuators, and converters (wherever located). (Sections 40-23-2(3) and 40-23-61(b), Code of Alabama 1975)

(3) Transmission cable and all other tangible personal property not classified as machines or parts and attachments for machines used in processing tangible personal property are taxable at the general rate. (Sections 40-23-2(1) and 40-23-61(a)) (Adopted October 1, 1959, readopted through APA effective October 1, 1982, amended January 10, 1985, amended October 29, 1993, amended July 30, 1998)