

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

810-6-3-.36. Liquefied Petroleum Gas.

(1) Liquefied petroleum gas sold to be used for agricultural purposes is exempt from sales tax.

(2) Liquefied petroleum gas sold to hatcheries for use as fuel for heaters used to maintain a constant temperature in incubators qualifies for the exemption outlined in (1) above. This exemption applies to a hatchery whose sole function is the hatching and raising of poultry even if the hatchery is not located on a traditional farm.

(3) Liquefied petroleum gas sold for use in the commercial production of greenhouse and nursery products qualifies for the exemption outlined in (1) above. (AGO Graddick February 6, 1979) Noncommercial greenhouses or hothouses when not being operated as part of a farming operation are not entitled to this exemption.

(4) The ginning of cotton occurs after harvesting is completed and, since the agricultural aspect ends with harvesting, cotton gins are nonagricultural processing operations and do not qualify for the exemption outlined in (1) above. Sales of liquefied petroleum gas to cotton gins located on traditional farms and operated by the farmer do not qualify for this exemption.

(5) The drying of grain by grain dealers not located on traditional farms occurs after the harvesting is completed and, since the agricultural aspect ends with harvesting, such operations are nonagricultural processing in nature and do not qualify for the exemption outlined in (1) above. (Section 40-23-4(a)(33)) (Readopted through APA effective October 1, 1982, amended July 7, 1989)