

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

810-6-1-.150.05. Sand, Gravel, and other Building Materials, Sales of.

(1) The seller is making taxable sales of such building materials as sand, gravel, earth, crushed stone, and asphalt which are merely dumped or deposited by him on a job site or in a storage area. In this case the measure of the tax is the total amount received by the supplier without any deduction for the expense of loading, dumping, or hauling or any other expense whatsoever.

(2) On the other hand, sand, gravel, earth, crushed stone, and asphalt or like materials are purchased at retail subject to a tax measured by the purchase price where such materials are spread and placed by the purchaser under a contract to furnish and to apply the materials in such a way that they become a part of real property. Where this is the case, the purchaser is acting as a contractor rather than as a retailer and there is no sale at retail by him to the landowner.

(3) In case the supplier is both selling materials at retail and contracting to furnish and apply them, the rule of dual businesses will apply with the supplier purchasing all materials at wholesale, tax free, and thereafter reporting and paying tax to the Department of Revenue on both sales at retail and on withdrawals for use under contracts to furnish and apply. (Section 40-23-1(a)(10)) (Adopted May 26, 1961, readopted through APA effective October 1, 1982)