

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

**810-6-1-.95. Materials Used in Repairing.**

(1) Materials used in repairing, for tax purposes, fall into the following classes:

(a) Materials which pass to the repairman's customer and which do not lose their identity when used by the repairman and which are a substantial part of the repair job (such as auto repair parts, radio tubes, and condensers) are sold at retail by the repairman. He must collect and report sales tax on such sales, including tax on the service incidental thereto. He may, however, if making a separate agreement to sell the repair parts and to perform the labor and service required, collect and remit the tax only upon the price of the parts if his records and his invoices clearly show a separation of the amounts received from sales and parts and from rendering service.

(b) Materials which pass to the repairman's customer but which lose their identity when used by the repairman or which are inconsequential in amount, such as paint, solder, and tacks, are considered to have been used or consumed by the repairman and are taxable at the time of sale to him.

(c) Materials which are used or consumed by the repairman and which do not pass on to his customer are supplies and taxable when sold to the repairman. (Section 40-23-1(a)(10))

(d) Materials which fall in classes (b) or (c) are purchased at wholesale for use by a repairman who, in addition to using such materials as a repairman, sells the same kinds of materials for use by others. These materials become subject to the sales tax upon their withdrawal for use by the repairman under the withdrawal feature of Section 40-23-1(6), (8), and (10). Note however, that a repairman is not to be considered a vendor of these classes of materials unless he carries a stock of them and sells outright therefrom a substantial amount. If the repairman makes only isolated sales or "accommodation" sales of these materials he is not to be considered as a seller of them under the sales tax law, in which case his supplier must collect the tax.

(2) In all instances, materials are taxable when sold to repairmen for use in making repairs where such materials lose their identity as a result of such use, for instance, solder used in welding, paint used in automobile refinishing, thread used in mending clothing. In all instances where the shape or composition of the repair material is materially changed, such altered or changed material is considered to have been used or consumed by the repairman and, for that reason, subject to tax when sold to him. No tax on this material is to be collected by the repairman from his customer.

(3) In instances where repair materials and repair parts are passed to the repairman's customer without change, except necessary and customary minor adjustments, such parts or materials may be purchased at wholesale by the repairman licensed under the Sales Tax Law. The repairman is then required to collect sales tax from his customer. (Readopted through APA effective October 1, 1982, amended October 8, 1985)