

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

810-6-3-.42.02. Nonresidents, Sales to.

(1) Other than the exceptions noted in (2) and (3) below, sales to nonresidents are sales at retail subject to the tax even though such purchasers claim that the property purchased is for use outside of Alabama, except where the seller delivers the property outside Alabama or to the U.S. Postal Service or to a common carrier for transportation outside Alabama. (Sections 40-23-1(a)(5), 40-23-4(a)(17) and 40-23-62(2))

(2) Sales of automobiles, motorcycles, trucks, truck trailers, or semitrailers that (i) will be registered or titled outside Alabama and (ii) are exported or removed from Alabama within 72 hours by the purchaser or the purchaser's agent for first use outside Alabama are not subject to Alabama sales tax when the sales tax laws of the state in which the purchaser will title or register the vehicle allows an Alabama resident to purchase a motor vehicle for first titling and registering in Alabama without the payment of tax to that state. To be exempt from Alabama sales tax, the information relative to the exempt sale must be documented on forms approved by the Revenue Department. (See Sales and Use Tax Rule 810-6-3-.42.03 entitled Sales of Certain Automotive Vehicles to Nonresidents for First Use and Registration or Titling Outside Alabama.) Sales of other vehicles such as mobile homes, motor bikes, all terrain vehicles, motor homes, travel trailers, and boats do not qualify for this export exemption provision and are subject to Alabama sales tax unless the seller can provide factual evidence that the vehicle was delivered outside Alabama or delivered to a common carrier for transportation outside Alabama. (Section 40-23-2(4))

(3) The purchase of a new truck with a gross weight not exceeding 8,000 pounds or a new passenger vehicle by a nonresident of the United States is exempt from sales or use tax when (i) the truck or passenger vehicle is manufactured in Alabama, (ii) the truck or passenger vehicle is delivered to the purchaser in Alabama by the manufacturer or an affiliated corporation, (iii) at the time of purchase the purchaser intends to export the truck or passenger vehicle to and permanently license the truck or passenger vehicle in a foreign country within 90 days after the date of delivery, and (iv) the purchaser obtains a temporary metal license plate and a temporary registration certificate from the probate judge or license commissioner of the county in which the manufacturer is located.

(4) Effective January 1, 2016, sales of automobiles, motorcycles, trucks, truck trailers, or semitrailers that (i) will be registered or titled outside Alabama and (ii) are exported or removed from Alabama within 72 hours by the purchaser or the purchaser's agent for first use outside Alabama are subject to the Alabama state sales tax rate of two percent (2%) unless the sales tax laws of the state in which the purchaser will title or register the vehicle allows an Alabama resident to purchase a motor vehicle for first titling and registering in Alabama without the payment of tax to that state. However, in no case shall the amount of Alabama state sales tax due on a motor vehicle that will be registered or titled for use in another state exceed the amount of sales tax that would otherwise have been due in the state where the vehicle will be registered or titled for first use.

(a) The tax collected on sales outlined in paragraph (4) above shall be Alabama sales tax and shall exclude county and municipal sales tax.

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810-6-3-.42.02. (Continued)

(5) A list of states that do not allow a reciprocal drive-out provision for Alabama residents purchasing automotive vehicles for first titling and registration in Alabama may be viewed on the Department's website at: <http://www.revenue.alabama.gov/salestax/>. Such list will be published by December 1, 2015, and will be updated each December 1 thereafter. Sellers that have relied on list information that is later determined to be incorrect shall not be held liable for the non-collection of the state automotive sales tax.

(Sections 40-2A-7(a)(5), 40-23-39(b), 40-23-2(4), 40-23-31, Code of Alabama 1975 and Act 2015-503) (Readopted through APA effective October 1, 1982, amended January 24, 1989, amended March 10, 1998, amended February 10, 2016)