

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

**810-6-4-15. Permit to Pay Sales and Use Taxes on Motor Fuels Direct to the Department of Revenue.**

(1) The term "Department" as used in this regulation shall mean the Department of Revenue of the State of Alabama.

(2) The definition of the term "motor fuel" contained in Code of Alabama 1975, Section 40-17-1, is incorporated by reference herein.

(3) Except as outlined in paragraphs (4) and (10) below, instate sellers must collect and remit sales tax on retail sales of motor fuels which are not subject to the motor fuels excise tax and do not qualify for a sales tax exemption; and, out-of-state sellers, who do not have a place of business in Alabama but for whose business sufficient nexus exists, must collect and remit seller's use tax on retail sales of motor fuels which are not subject to the motor fuels excise tax and do not qualify for a use tax exemption.

(4) Where the Department finds that it is practically impossible at the time of purchase for the purchaser or the purchaser's vendors, to determine with any degree of certainty the applicability of sales or use tax to purchases of motor fuels and where it would facilitate and expedite the collection of the taxes to permit the purchaser to purchase all motor fuels without payment of sales or use tax to the vendor, a user of motor fuels may obtain a permit which will allow the holder to purchase all motor fuels free of sales and use taxes and to report and pay the applicable tax directly to the Department. An application for the permit shall be made on forms furnished by the Department and shall require the following information:

- (a) Applicant's Federal Employer Identification Number,
- (b) Applicant's legal name and complete mailing address,
- (c) Business address(es) in Alabama including city, county, and street address or, if location is on a highway or rural route, including details sufficient to allow Department personnel to find the place of business,
- (d) Indication of the nature of business,
- (e) Business phone number,
- (f) Desired effective date of permit, and
- (g) Signature and title of sole proprietor, each partner, or an elected corporate officer and the date of each signature.

(5) The permit holder shall be required to pay sales or use tax directly to the Department on motor fuels purchased without payment of sales or use tax to the vendor when the motor fuel is subsequently used in a manner that (i) is exempt from the motor fuels excise tax and (ii) does not qualify for a sales and use tax exemption.

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**810-6-4-15. (Continued)**

(6) A permit holder, who purchases motor fuels with motor fuels excise tax paid and subsequently uses the motor fuel in a manner which qualifies the user for a refund of the motor fuels excise tax pursuant to Sections 40-17-2(c) and 40-17-220(g), shall report and pay the applicable sales or use tax to the Department. Sales or use tax accrues at the time the motor fuel is used, provided the motor fuel does not qualify for a sales or use tax exemption.

(7) The permit holder shall maintain books and records which clearly disclose the total amounts of motor fuels purchased and the use of motor fuels for taxable and nontaxable purposes.

(8) The permit referenced in paragraph (4) above shall be restricted to purchases of motor fuels only, shall be entitled Sales and Use Tax Motor Fuel Permit, and shall contain the following information:

- (a) Taxpayer's direct pay permit number, legal name, and complete address,
- (b) Statement of the conditions to which the permit is subject,
- (c) Effective date of the permit,
- (d) Signature on behalf of the Department of Revenue and the date signed, and
- (e) Attesting signature of the Departmental Secretary.

(9) Permit holders shall file returns on forms furnished by the Department and pay the sales or use taxes due on or before the twentieth day of the month next succeeding the tax reporting period in which the motor fuel is used in a manner subject to sales or use tax. Motor Fuels Sales Tax Direct Pay Permit Returns shall require the following information:

- (a) The holder's direct pay permit account number, legal name, and complete address,
- (b) Period covered by the return and due date of the return,
- (c) Estimated tax due for the current month, if applicable,
- (d) total gallons of motor fuel used during the period covered by the return which are not subject to the motor fuels tax,
- (e) Cost of the fuel not subject to the motor fuels tax,
- (f) Sales tax due on the motor fuel,

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**810-6-4-.15. (Continued)**

- (g) Estimated tax paid on previous month's return, if applicable,
- (h) Tax due after deducting credit for previous month's estimate,
- (i) Total tax due (tax shown due in item (h) plus current month's estimate, if applicable),
- (j) Penalties and interest due, if applicable,
- (k) Credits claimed,
- (l) Total amount due,
- (m) Total amount remitted,
- (n) An indication if payment of tax is made through electronic funds transfer (EFT), and
- (o) Taxpayer's signature and the date signed.

(10) The holder of a Sales and Use Tax Direct Pay Permit shall not be issued a separate Sales and Use Tax Motor Fuel Permit. Instead, all purchases of motor fuels and the payment of applicable sales or use taxes due thereon by holders of Sales and Use Tax Direct Pay Permits shall be made in accordance with the provisions of Sales and Use Tax Rule 810-6-4-.14 Sales and Use Tax Direct Pay Permit. (Readopted through APA effective October 1, 1982, amended June 5, 1992, amended April 1, 1996, amended October 20, 1998)