

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

810-6-1-.12.01. Courtesy Deliveries of Automotive Vehicles by Alabama Dealers for Out-of-State Dealers.

(1) A courtesy delivery for an out-of-state automobile dealer occurs when the out-of-state dealer sells an automobile to a customer and arranges for the vehicle to be shipped to an in-state dealer for delivery to a designated person in Alabama. The in-state dealer performs the customary dealer preparation on the vehicle and receives reimbursement for these services. The out-of-state dealer, not the in-state dealer, invoices the customer for the sale of the vehicle.

(2) An Alabama dealer who makes a courtesy delivery of an automotive vehicle in Alabama for an out-of-state dealer is not the seller of the vehicle and would not be liable for Alabama sales tax on the transaction. Such courtesy deliveries should not be included in the measure of sales tax reported by the Alabama dealer.

(3) The out-of-state seller for whom a courtesy delivery is made by an Alabama dealer is the seller of the automotive vehicle.

(4) The out-of-state seller referenced in (3) above is not liable to collect and remit sellers use tax on sales of automotive vehicles required to be registered or licensed with the judge of probate of any county in Alabama. Instead, the purchaser of the automotive vehicle must remit the tax levied in Section 40-23-102, Code of Alabama 1975, to the county licensing official in accordance with Section 40-23-104. (Sections 40-23-102 and 40-23-104) (Adopted through APA effective July 7, 1989, amended November 5, 1996)