

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

810-6-1-.04. Radio and Television Antennas and Television Satellite Dishes.

(1) Sales at retail of radio and television antennas, television satellite dishes, and parts and attachments therefor are subject to sales or use tax, whichever is applicable.

(a) Where an antenna or satellite dish, along with parts and attachments therefor, is sold for a lump sum amount which includes both the antenna or satellite dish and the cost of erection or installation, such lump sum amount shall be used as the measure of the tax to be paid to the State. In instances where separate contracts are made for the sale of the antenna or satellite dish and other property and for the erection or installation, the tax should be measured by the sales price only, provided that the billing to the customer and the books of the seller clearly show the receipts from sales and from erection and installation.

(b) In instances where dealers in radio and television receiving sets sell antennas or satellite dishes with parts and attachments therefor which they do not themselves furnish or install, but which are furnished and installed for them by an outside supplier, the sale of antennas or satellite dishes and other property sold in connection therewith are made at wholesale, tax free, by the outside supplier to the dealer who has made the retail sale. The dealer in these instances must collect and remit tax to the State in accordance with the rule stated in subparagraph (a).

(c) Where dealers and suppliers make over-the-counter sales of antennas or satellite dishes and parts and attachments therefor to customers not for resale, such sales to consumers are subject to sales tax which is to be collected by the seller and paid to the State.

(d) The dealers and suppliers who make the sales described in subparagraphs (a), (b), and (c) above purchase at wholesale, tax free, the antennas or satellite dishes and parts and attachments therefor which are resold by them. (Section 40-23-1(a)(10))

(2) Sales of radio and television antennas, television satellite dishes, and parts and attachments therefor, qualify for the reduced 1 ½ percent machine rate of sales or use tax when sold to radio and television stations or broadcasting companies for use in their business of producing and propagating radio or television signals. Kline Iron & Steel Corp. v. State of Alabama (Circuit Court of Montgomery County, Civil Action No.s CV-78-1250-P and CV-78-1251-P, April 26, 1979) (Section 40-23-2(3)) (Readopted through APA effective October 1, 1982, amended October 3, 1987)