

### **810-6-1-.10 Automobile Seatcovers, Top Linings, Vinyl Tops (Repeal)**

(1) Upholstery repairs performed on automobile seats, top linings, and vinyl tops will be considered as repair jobs. The upholsterer must collect and report sales tax on his sales of items which do not lose their identity, such as cloth, leather, vinyl, foam rubber, and springs. If he makes a separate agreement to sell the materials and to perform the labor and service required, the separate amount received for labor and/or service will not be subject to the tax.

(2) Materials which pass to the upholsterer's customer but which lose their identity when used by the upholsterer or which are inconsequential in amount (such as tacks, glue, thread, binding twine, webbing, gimp tape, welting, padding, stain, and varnish) are considered to have been used or consumed by the upholsterer and are taxable at the time of purchase by him.

(3) Materials which are used or consumed by the upholsterer and which do not pass to the customer are supplies and taxable when purchased by the upholsterer.

(4) Any custom items that are fabricated and sold, with or without installation, such as, but not limited to, auto seat slip covers, boat covers, and car covers will be subject to sales tax on the full sales price without any deduction for labor or service. If stated separately a reasonable installation fee may be excluded from the measure of the tax. See Regulation 810-6-1-.182 entitled "Upholstery Shops."

Authority: §§40-2A-7(a)(5), 40-23-1(a)(10), 40-23-31, and 40-23-83, Code of Ala. 1975.

History: Adopted March 9, 1961.

Amended: November 1, 1963; November 3, 1980; February 10, 1982.

Readopted through APA effective October 1, 1982.

### **810-6-1-.10 Services Rendered By Upholsterers (New)**

(1) An upholsterer renders a service and sells tangible personal property. Materials used or consumed by the upholsterer that are not passed to the customer are considered supplies and are taxable at the time of purchase by the upholsterer. Materials passed to the customer that either lose their identity or are inconsequential to the product are also taxable at the time of purchase by the upholsterer. Examples of these materials include but are not limited to:

- (a) Tacks
- (b) Glue
- (c) Thread

- (d) Binding Twine
- (e) Webbing
- (f) Glimp Tape
- (g) Welting
- (h) Padding
- (i) Stain
- (j) Varnish

(2) Materials passed to the customer that are a substantial part of the product and do not lose their identity are considered taxable retail sales made by the upholsterer. Custom items fabricated and sold are subject to Sales Tax on the full sales price of the item without any deduction for labor or service unless the installation fee is separately stated. Examples of these materials include but are not limited to:

- (a) Cloth
- (b) Leather
- (c) Vinyl
- (d) Foam rubber
- (e) Springs
- (f) Covers for cars, boats, and furniture

(3) Separate agreements to sell the materials and perform the labor and service require tax to be collected and remitted on the price of the materials only, if the records and invoices clearly show separation of the amount received from the sale of the materials and the act of rendering the service. If there is no clear separation of the materials and services, then tax is due on both the sales and services rendered.

**Author:** Leslie Michaud

**Authority:** §§ 40-2A-7(a)(5), 40-23-1-(a)(10), 40-23-31, and 40-23-83,  
Code of Ala. 1975.

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