

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

810-6-1-.106. Monuments, Memorial Stones, Grave Markers, and other Decorative or Commemorative Objects.

(1) Monuments, memorial stones, grave markers, or other similar decorative or commemorative objects, collectively referred to in this rule as monuments, are building materials. Sales of monuments to the person who installs or erects them to realty are retail sales. The person who installs or erects monuments to realty is a contractor.

(2) A monument dealer or builder who contracts to furnish and install or erect monuments is a contractor and shall pay sales or use tax to the supplier on the cost of the monuments purchased for use in performing contracts or on the cost of the materials which become a component part of monuments which the dealer/builder manufactures for use in performing contracts. In the event the supplier is an unregistered out-of-state supplier, the monument dealer/builder shall compute and pay consumers use tax on the monuments or monument materials purchased from the unregistered supplier. (Sections 40-23-1(a)(10) and 40-23-60(5))

(3) A monument dealer or builder who sells monuments uninstalled is a retailer and shall apply for and obtain a sales tax license or, if an out-of-state business with nexus in Alabama, register to collect sellers use tax. The licensed or registered monument retailer shall purchase at wholesale, tax-free all monuments purchased for resale and all materials which become a component of monuments which the retailer manufactures for sale. The monument retailer shall collect and remit sales or sellers use tax on the retail selling price of all monuments sold without any deduction for labor used in manufacturing, cutting, engraving, or marking the monuments. (Sections 40-23-1(a)(6), 40-23-1(a)(8), 40-23-1(a)(10), 40-23-26, 40-23-60(5), 40-23-60(10), and 40-23-67)

(4) A monument dealer or builder in Alabama who is in the dual business of both selling monuments uninstalled and contracting to furnish and install or erect monuments shall obtain a sales tax license. The dual business monument dealer/builder shall purchase at wholesale, tax-free all monuments and all materials becoming a component of monuments which the dealer/builder manufactures. The dual business monument dealer/builder shall collect sales tax from the customer and remit the tax to the Department of Revenue on all retail sales of uninstalled monuments and shall compute and pay sales tax on all monuments or components of monuments withdrawn from inventory for use in performing contracts to furnish and install or erect monuments. The measure of tax to be collected on sales of uninstalled monuments is the selling price of the monument sold without any deduction for labor used in manufacturing, cutting, engraving, or marking the monument. The measure of tax on monuments or monument materials withdrawn from inventory for use in performing contracts is the cost of these items to the dealer/builder who withdraws them. (Sections 40-23-1(a)(8) and 40-23-1(a)(10)) (Adopted November 3, 1980, readopted through APA effective October 1, 1982, amended July 9, 1998)