

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

810-6-1-.144. Repairs to Tires and Tubes.

(1) Tire repairmen shall collect and remit sales tax on total charges for recaps, retreads, and the major repairs; such as sectional, reinforcement, and spot repairs. Materials used in recapping, retreading, and major repairing are purchased at wholesale, tax free. Machines used directly in recapping, retreading, and major repairing are taxed at the special one and one-half percent rate levied on machines.

(2) Tire repairmen shall not collect sales tax on charges for tube and minor tire repairs. Materials used in making tube and minor tire repairs are taxable to the repairmen. Machines used solely in making tube and minor tire repairs are taxable to the repairmen at the general rate of 4 percent.

(3) (a) Where the repairman uses repair materials for tube and minor tire repairs only, he shall pay tax thereon to his supplier; or, if purchased outside of Alabama from a supplier who does not collect Alabama tax, he shall pay the tax direct to the Department of Revenue as use tax.

(b) Where the repairman does recapping, retreading, and major repairing as well as tube and minor tire repair, he may purchase at wholesale all materials used in tire and tube repairing; then shall pay sales tax direct to the Department of Revenue on the cost price of materials withdrawn for use in tube and minor tire repairing.

(4) All hand tools used in recapping, retreading, and major and minor tire repairing are subject to sales tax. All supplies used or consumed by tire repairmen and which do not pass on to their customers are taxable when purchased by them.

(5) Sales by repairmen of repaired, retreaded, and recapped tires owned by them are subject to tax measured by the total sales price without any deduction for labor or cost of materials. (Readopted through APA effective October 1, 1982, amended April 3, 1987)