

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

810-6-1-.186. Veterinarians.

(1) Veterinarians use and consume medicines, equipment, and supplies in the rendering of professional services. When used by veterinarians who are not licensed to collect sales tax on their retail sales, these medicines, equipment and supplies are taxable at the time of purchase by the veterinarian.

(2) Veterinarians in many instances make retail sales of medicines, vaccines, and other supplies. Veterinarians who make retail sales shall apply for and obtain a sales tax license. Further, these veterinarians shall collect sales tax from their customers and remit the tax to the Department of Revenue.

(3) Veterinarians who have obtained a sales tax license shall purchase all medicines, equipment, and supplies from veterinarian supply houses tax-free. Those items purchased tax-free and used or consumed by the veterinarian shall be reported as a withdrawal by the veterinarian and the sales tax thereon remitted directly to the Department of Revenue. The tax on withdrawals shall be computed on the cost of the item purchased tax-free from the veterinarian supply house. The veterinarian shall collect sales tax from the customer on those items purchased tax-free from veterinarian supply houses and resold by the veterinarian. The tax on retail sales by veterinarians shall be computed on the selling price to the customer.

(4) With respect to purchases from suppliers other than veterinarian supply houses, veterinarians who have obtained a sales tax license shall pay tax to the supplier on items purchased for use or consumption and not for resale. Examples of such items include, but are not limited to, equipment, office supplies, and office furniture. Items purchased for resale from suppliers other than veterinarian supply houses shall be purchased tax-free and the veterinarian shall compute and pay sales tax on withdrawals and collect and remit sales tax on retail sales to customers.

(5) The sale, use, storage, or consumption of all antibiotics, drugs, serums, vaccines, and other medications used in the commercial production and growing of fish, livestock, and poultry is exempt from sales and use tax. This exemption does not apply to medications for dogs, cats, or any other animal which does not qualify as fish, livestock, or poultry. When antibiotics, drugs, serums, vaccines, and other medications are used for both taxable and exempt purposes, the veterinarian must maintain adequate records to substantiate the exempt usage; otherwise tax shall be due on all antibiotics, drugs, serums, vaccines, and other medications regardless of how used. (Sections 40-23-4(a)(29) and 40-23-62(29)) (Amended November 3, 1980, readopted through APA effective October 1, 1982, amended January 19, 1998)