

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

**810-6-1-.188. Watch and Jewelry Repair Shops.**

(1) Watch and jewelry repairmen render services in repairing, cleaning or servicing articles which belong to other persons. They also engage in the business of selling tangible personal property for use or consumption, such as watches, clocks, watch cases, watch parts, etc.

(2) Where the watch or jewelry repairman renders nothing but a service, sales tax does not apply to the transaction. In the cases where he furnishes tangible personal property, such as the above mentioned, then sales tax does apply to the full sales price of such tangible personal property without deduction for labor or service charges. If the tangible personal property is sold and the labor or services furnished in separate transactions, each transaction being billed separately, then the tax applies to the sales price of the tangible personal property and not to the labor or service.

(3) Materials and supplies used by watch and jewelry repairmen in rendering services but which are not resold as merchandise are subject to sales tax when purchased by the repairman from the supply dealer. (Section 40-23-1(a)(10)) (Readopted through APA effective October 1, 1982)