

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

810-6-1-.24. Bingo.

(1) A bingo parlor is defined as a place of amusement; therefore, the gross receipts derived therefrom are subject to sales tax. State of Alabama v. Roosevelt Crayton, d/b/a Jody's Sporting Goods, 344 So. 2d 771 (Ala. Civ. App.), cert. denied, 344 So. 2d 775 (Ala. 1977).

(2) Effective June 1, 1990, Section 40-23-4(a)(43), Code of Alabama 1975, exempts certain bingo games and operations from the sales tax levied in Section 40-23-2(2). This exemption, however, does not apply to any gross receipts from sales of tangible personal property such as concessions, novelties, food, or beverages.

(3) The exemption referenced in paragraph (2) above only applies in those counties which have duly enacted constitutional amendments legalizing bingo games and operations. Said exemption is further limited to bingo games and operations conducted by organizations which have qualified for exemption under the provisions of 26 USC Section 501(c)(3), (4), (7), (8), (10), or (19) or which are defined in 26 USC Section 501(d).

(4) To qualify for the exemption contained in Section 40-23-4(a)(43) an organization must comply with the distribution requirements of applicable local laws including any threshold limits with respect to charitable donations from bingo receipts.

(5) Organizations claiming to qualify for the exemption referenced in paragraph (2) above must provide the Revenue Department with documented evidence that they qualify for exemption with the Internal Revenue Service and that they are in compliance with the distribution requirements of applicable local laws. (Adopted June 12, 1978, readopted through APA effective October 1, 1982, amended December 6, 1990)