

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

810-6-1-.51. Deposit on Bottles.

(1) Where a retailer sells bottled drinks and the sales price includes the deposit on the bottles and sales tax is charged on the total sales price, the amount of the deposit which is refunded on the return of the empty bottles is not subject to sales tax and may be deducted from the gross proceeds of sales where the retailer refunds the deposit on the bottles and also refunds the sales tax previously collected on the deposit for the bottles.

(2) Where such retailer refunds the deposit on the bottles and at the same time does not refund the sales tax previously collected on the deposit for the bottles, he may not deduct from the gross proceeds of sales the amount of the deposit so refunded and the full sales price of the bottled drinks is to be included in the gross proceeds of sales and the tax collected must be remitted to the State. (Adopted July 31, 1963, readopted through APA effective October 1, 1982)