

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

810-6-1-.66. Fencing.

(1) Fencing materials of all kinds including fence posts, fence wire, and fence accessories are building materials, the sales of which are at retail and subject to tax when made to the person who will attach the fencing materials to real property. Where the person who makes the installation is the manufacturer of the materials used, such manufacturer owes sales tax to be measured by the fair market value of the materials laid down at the job site. The manufacturer is required by the Sales Tax Law to report his use of such materials and pay tax thereon as if he had made a retail sale of the materials. Any fencing materials installed by the manufacturer not manufactured by him are taxed in the usual manner.

(2) In case a vendor or manufacturer of fencing materials is both selling such materials to others for installation by them and furnishing and installing the materials under contract all purchases of fencing materials are at wholesale, tax free. Thereafter both sales to others and withdrawals for use under installation contracts are to be reported as taxable sales to the Department of Revenue. (Section 40-23-1(a)(10)) (Adopted May 26, 1961, readopted through APA effective October 1, 1982)