

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

**810-6-1-.94. Materials Used in Plating.**

(1) Materials purchased by a person, firm, or corporation for use in further processing or manufacturing tangible personal property not owned by the person, firm, or corporation but owned by a manufacturer or a compounder are exempt from the sales and/or use tax when the tangible personal property is to be ultimately sold at retail.

(2) The materials used in plating tangible personal property not belonging to the plating company are subject to the sales and/or use tax when the plating company customers used the product which was plated for the customer and there was no retail sale of the product. The materials used in this category are not purchased by or used by the manufacturer or compounder who manufactures or compounds a product for sale; therefore, the purchase of the materials does not fall within the meaning of the term "wholesale" as found in Section 40-23-1(a)(9), Code of Alabama 1975. (Adopted July 2, 1975, amended June 12, 1978, readopted through APA effective October 1, 1982)