

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

810-6-2-.09.02. Sales of Textbooks, Other Books, and School Supplies by Schools.

(1) The term “elementary or secondary school” as used in this rule shall mean a school where the curriculum consists of one or more of grade levels K through 12. This term shall not include nurseries and day care centers nor shall it include private schools at which the courses of study are limited to specialized subjects such as dance, horseback riding, music, cooking, sewing, or religion.

(2) The sales and use tax statutes contain no exemption for sales of textbooks, other books, and school supplies. Accordingly, unless the sales or use tax statutes contain a specific exemption for the seller or purchaser, sales or use tax is due on retail sales of these items at the general rate of tax. (Sections 40-23-2(1) and 40-23-61(a), Code of Alabama 1975)

(3) Sales of textbooks, other books, and school supplies made by a school (not including an institution of higher learning) owned and operated by a county or a municipality of the State of Alabama are not subject to sales or use tax. (City of Anniston v. State, 265 Ala. 303, 91 So. 2d 211 (1956))

(4) Sales of textbooks, other books, and school supplies made by a privately-owned and operated elementary or secondary school or by an elementary or secondary school owned and operated by the State of Alabama are exempt from sales or use tax when the net proceeds from the sales are used solely for the benefit of the elementary or secondary school. See Sales and Use Tax Rule 810-6-2-.88.04 entitled Exemption for Certain Sales by Elementary and Secondary Schools, School Sponsored Clubs and Organizations, and School Affiliated Groups. (Section 40-9-31, Code of Alabama 1975)

(5) Except as outlined in paragraph (4), sales of textbooks, other books, and school supplies made by a privately owned and operated school or college or by a school or college owned and operated by the State of Alabama are subject to sales or use tax. (Sections 40-23-2(1) and 40-23-61(a), Code of Alabama 1975) (Readopted through APA effective October 1, 1982, amended June 9, 1999)