

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

810-6-2-.39. Machine Shop Equipment.

Machine shop equipment used for maintenance and repair purposes is taxable at the general rate of 4%. Machines used both in maintenance and repair work and in the production of manufactured articles are taxed at the special machine rate of 1 1/2% when use in production is substantial. Tax is due at the general rate, however, when use in production is an incidental or inconsequential use as compared to use in maintenance and repair. (Sections 40-23-1(a)(10) and 40-23-2(3)) (Adopted March 9, 1961, amended November 1, 1963, readopted through APA effective October 1, 1982)