

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

**810-6-2-.47. Material Handling Equipment.**

(1) Equipment used for transporting materials to the plant of a manufacturer, processor, or compounder or used for transporting finished products from such plants is taxed at the general 4% rate.

(2) The movement of materials or products purely for transportation purposes is not manufacturing, processing or compounding. In Alabama- Georgia Syrup Company v. State, 42 So.2d 796, the Supreme Court of Alabama stated with reference to platform trucks used for moving the company's products in the process of blending and packing. "We do not think that platform trucks are machines within the meaning of the exemption. They are obviously used in transportation from one point in the plant to another and not in compounding and manufacturing of tangible personal property."

(3) The general rule with reference to transportation equipment is that it is taxable at the general rate of 4% up to the point where the materials go into process, the equipment feeding the first processing machine being taxed under the machine levy at 1 1/2%.

(4) Equipment for transporting the finished product is subject to tax at the general 4% rate, the last equipment to come under the machine levy being that equipment which discharges the finished product from the last machine used in the process. (Section 40-23-2(3)) (Adopted March 9, 1961, amended November 1, 1963, readopted through APA effective October 1, 1982)