

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

**810-6-2-.79.04. Restaurants, Equipment and Supplies.**

(1) Restaurants and cafeterias are considered to be processors and compounders of food products for sale; therefore, they are entitled to purchase machines used in processing and compounding at the reduced rate of 1 1/2 percent.

(2) The machines falling in this category include, but are not limited to, meat slicers, burger patty makers, ice machines, coffee makers, shredders, electric mixers, electric food cutters, french fry machines and ranges.

(3) Items not falling in this category, such as refrigeration units, pots, pans, stainless steel work tables, hand tools, and similar items are taxable at the general rate of 4 percent.

(4) See Rule entitled Furnished Containers, 810-6-1-.69 for information regarding application of tax on purchases of paper products. (Sections 40-23-2(1) and 40-23-2(3)) (Adopted August 10, 1982, readopted through APA effective October 1, 1982)