

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

810-6-3-.35.02. Interstate Commerce, Sales in.

(1) Sales are considered to be made outside Alabama and cannot be taxed by the Alabama Sales Tax Law where:

(a) The seller is required by the sales agreement to deliver the goods outside the state in the seller's equipment, or

(b) The seller delivers the goods to a common carrier or to the United States Postal Service for transportation outside the state regardless of any F.O.B. point, or

(c) The seller is required by the sales agreement to deliver the goods outside the state by the use of an independent trucker hired by the seller.

(2) Property is not sold outside Alabama, and therefore is subject to Alabama Sales Tax, when the buyer takes actual possession of the goods in this state or when an agent of the buyer accepts delivery for the buyer to make delivery outside the state at the buyer's direction. However, when the buyer contracts with a common carrier or the United States Postal Service to accept goods in this state for delivery outside this state at the buyer's direction, the sale is not subject to Alabama Sales Tax since the common carrier or United States Postal Service is the agent of the seller regardless of who selects the method of transportation. (Sections 40-23-1(a)(5) and 40-23-4(a)(17)) (Readopted through APA effective October 1, 1982, amended effective June 9, 1995, amended March 10, 1998)