

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

810-6-3-.47.01. Prescription Drugs.

(1) Drugs as defined in Section 40-23-4.1(a), Code of Alabama 1975, are exempt from sales and use tax.

(2) The exemption referenced in Section (1) above applies to drugs purchased by hospitals, infirmaries, sanitariums, nursing homes, medical clinics, and physicians for use or consumption in rendering medical services to patients, as well as to drugs sold outright to patients by pharmacies on a doctor's prescription.

(3) Sales of drugs which meet the definition contained in Section 40-23-4.1(a), Code of Alabama 1975, are exempt regardless of whether they are diagnostic in nature or they are used in preventing, treating, or mitigating diseases.

(4) Items such as aspirin, vitamins, and shampoo that do not ordinarily require a physician's prescription are exempt from sales or use tax when prescribed by a physician and the prescription is filled by a licensed pharmacist. (Section 40-23-4.1) (Adopted August 15, 1974, amended August 10, 1982, readopted through APA effective October 1, 1982, amended April 3, 1987, amended January 29, 1990)