

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

810-6-4-.11. Leased Departments, Filing Tax Returns for.

(1) Where a store leases departments to other persons who (i) operate the departments, (ii) keep their own books, and (iii) make their own collections on accounts; a separate sales tax return shall be filed by each person operating a leased department. Persons who lease departments and file their own returns shall obtain the sales tax license required pursuant to Section 40-23-6, Code of Alabama 1975.

(2) Where the store leases departments to other persons who operate the departments and the store keeps the books and makes collections on accounts for the persons who lease the departments, the store may, as agent for the lessees, file returns for the leased departments and pay the taxes due. The lessees, however, shall not be relieved of liability for the tax until the amount due has been paid.

(3) Where the store files returns as agent for leased departments, it may either file separate returns for each department leased or may file a consolidated return for both its business and the leased departments. Persons who lease departments and for whom the store files separate returns shall obtain the sales tax license required pursuant to Section 40-23-6. If the store files a consolidated return for its business and for each leased department, sufficient records shall be maintained to allow a determination of the respective sales and use tax liability for its business and each of the leased departments. (Sections 40-2A-7(a)(1), 40-23-6, 40-23-7, and 40-23-9, Code of Alabama 1975) (Readopted through APA effective October 1, 1982, amended July 30, 1998)