Taxpayer Service Centers

- **Auburn/Opelika Taxpayer Service Center**
  3300 Skyway Drive, Auburn 36830
  3320 Skyway Drive, Suite 808, Opelika 36801
  Phone: (334) 887-9549

- **Dothan Taxpayer Service Center**
  121 Adris Place, Dothan 36303
  P.O. Box 5739, Dothan 36302-5739
  Phone: (334) 793-5803

- **Gadsden Taxpayer Service Center**
  701 Forrest Avenue, Gadsden 35901
  P.O. Drawer 1190, Gadsden 35902-1190
  Phone: (256) 547-0554

- **Huntsville Taxpayer Service Center**
  4920 Corporate Drive, Suite H, Huntsville 35805
  P.O. Box 11487, Huntsville 35814-1487
  Phone: (256) 837-2319

- **Jefferson/Shelby Taxpayer Service Center**
  2020 Valleydale Road, Suite 208, Hoover 35244
  P.O. Box 1927, Pelham 35124
  Phone: (205) 733-2740

- **Mobile Taxpayer Service Center**
  851 E. I-65 Service Rd. South, Suite 100, Mobile 36606
  P.O. Box 160406, Mobile 36616-1406
  Phone: (251) 344-4737

- **Montgomery Taxpayer Service Center**
  2545 Taylor Road, Montgomery 36117
  P.O. Box 327490, Montgomery 36132-7490
  Phone: (334) 242-2677

- **Shoals Taxpayer Service Center**
  201 South Court Street, Suite 200, Florence 35630
  P.O. Box 219, Florence 35631-0219
  Phone: (256) 383-4631

- **Tuscaloosa Taxpayer Service Center**
  1434 22nd Avenue, Tuscaloosa 35401
  P.O. Box 2467, Tuscaloosa 35403-2467
  Phone: (205) 759-2571

- **TDD Number**
  (334) 242-3061

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An informational guide published for tax-exempt entities.
**Tax-Exempt Entities**

As a tax-exempt entity, your organization, school, or governmental agency (instrumentality of the federal government, State of Alabama, county government in the State of Alabama, or any incorporated Alabama municipality) is exempt from payment of Alabama sales and use taxes. To be classified as a tax-exempt entity, your organization, state department, school, etc., must be specifically exempted by law from the payment of sales and use taxes or must fall within the exemptions granted to the governmental agencies or instrumentalities outlined above.

As a tax-exempt entity, you are not charged sales or use taxes on your purchases of tangible personal property. Others are not able to claim an exemption on their part from Alabama sales or use taxes on tangible personal property that is purchased by them and used in completing or fulfilling building, maintenance or service contracts with your particular tax-exempt organization.

Also, as a tax-exempt entity, you cannot transfer your exempt status to a contractor or developer who is required to purchase and pay for the materials that are to be used pursuant to a construction contract with your tax-exempt entity.

However, a tax-exempt entity may appoint as its agent a contractor to act on its behalf to order materials or to order and pay for the materials that are to be incorporated into real estate pursuant to a construction contract with its particular tax-exempt entity. Purchases made by the agent on behalf of the tax-exempt entity will be exempt from the payment of state and local sales or use taxes provided that the procedures outlined in Alabama Department of Revenue Rule 810-6-3-.69.02 are followed.

The appointment of the contractor as purchasing agent of the tax-exempt entity must be made in writing and may, but is not required to take the form of a completed Purchasing Agent Appointment, Form ST: PAA-1. The appointment must be made prior to the contractor’s purchase of materials that are claimed to be tax exempt. In the absence of a written appointment, the contractor must pay the sales and use taxes otherwise due.

Purchases made by the purchasing agent on behalf of the tax-exempt entity are exempt from the payment of sales and use taxes, provided that funds belonging to the tax-exempt entity are directly obligated and payment is made with funds belonging to the tax-exempt entity. When the contractor is also appointed as agent to pay for the materials on behalf of the tax-exempt entity, payment must be made from an account designated for this specific purpose and funded by the tax-exempt entity.

**Certain Tax Exempt Entities**

For certain tax-exempt Governmental Agencies, including, the State of Alabama, a county or incorporated municipality of Alabama, an Alabama public school, or an Alabama industrial or economic development board or authority already exempt from sales and use taxes, certain purchases by their contractors working on qualifying government entity projects, per Act 2013-205 and Alabama Department Rule 810-6-3-.77, there is an additional option to purchase the materials for that project tax exempt by obtaining a Certificate of Exemption for Government Entity Projects. This certificate applies to the purchase of building materials, construction materials and supplies, and other tangible personal property that become part of the structure. The application, Form ST: EXC-01, is found on the department’s website http://www.revenue.alabama.gov.

Contractors and subcontractors who successfully apply for this exemption will be required to file monthly consumers use tax returns which include a total of all exempt purchases for ongoing projects. If there are no purchases made using the exemption certificate, then a “zero” return must still be filed in the reporting table for the period. There is a requirement of one entry for each active exemption certificate for each filing period.

**Invitation to Bid**

Often times, contractors or builders may not be aware that sales tax or use tax is due upon their purchases of materials or items that are used or consumed by them in completing building, maintenance or service contracts for tax-exempt entities.

In preparing invitations to bid, the department recommends that you include a copy of the brochure entitled Sales to Tax-Exempt Entities as a part of your bid package. Free copies of the brochure may be obtained by contacting the department’s Sales and Use Tax Division.

**Work Performed by Contractors and Builders**

All supplies and equipment that are purchased by and used or “consumed” by a contractor or builder in completing or fulfilling contracts with tax-exempt entities are taxable to the contractor or builder at the time the builder or contractor purchases such items or when the items are withdrawn from inventory for use or consumption by the contractor or builder. The fact that these items or materials will be used in performing or completing work for tax-exempt entities has no bearing upon determining whether the sale is taxable or non-taxable to the contractor or builder.

**Questions?**

For more information concerning any sales or use tax reporting liabilities that a contractor or builder may have or for more information concerning any reporting responsibilities that your particular organization, agency, school etc., may have, contact the Revenue Department’s Sales and Use Tax Division or visit the nearest Taxpayer Service Center listed on the back page.