

810-6-1-.07 Sales of Automotive Vehicle Parts by Automotive Vehicle Repairman, Repair Shops and Garages

(1) Parts used in making repairs to the customer's automotive vehicle or sold to the customer for use that are passed substantially intact as purchased by the repairman are sold at retail to the customer. Examples of such parts are pistons, piston rings, fan belts, gears, batteries, and tires. The full amount of an invoice will be subject to sales or use tax when it does not separately state the parts from the labor.

(2) Other materials and supplies, such as paints or lubricants are consumed and purchased at retail by the repairman. These items are furnished incidental to rendering a service. Materials and supplies, also tools and machinery, used or consumed by automotive vehicle repair shops and garages in rendering services that are not resold as merchandise are subject to the sales or use tax when purchased by the repairman from the supply dealer. If the supply dealer is not required to collect the sales or use tax, the automotive vehicle repair shop or garage must pay the use tax directly to the Department. (Doby v. State, 174 So. 233, Merriwether v. State, 42 So. 2d. 465)

(3) Labor, installation and service charges not separately stated on the invoice to the customer are taxable. If the labor, installation, and service charges are separately stated from the sale of parts, the labor, installation, and service charges are not taxable.

(4) Books must be kept in a manner that clearly reflects the separation of the charges for the tangible items sold and the charges for the labor or installation charges.

(5) Refer to the Rule 810-6-1-.116 entitled Parts and Materials Used To Repair Or Recondition Dealers' Automotive Vehicles regarding parts used by repairmen on automotive vehicles of dealers, that are part of the dealers' stock in trade for sale.

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Authority: §§40-2A-7(a)(5), 40-23-31, 40-23-83,
Code of Ala. 1975. Rule: 810-6-1-.116.
Doby v. State Tax Commission 234 Ala. 150 (Ala. 1937).
Merriwether v. State, 252 Ala. 590, 42 So. 2d 465, 11 A.L.R.2d 918.
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