



**VERNON BARNETT**  
Commissioner

# State of Alabama Department of Revenue

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**August 1, 2019**

**To: All License Commissioners, Probate Judges, and Other Local Licensing Officials charged with the registration and collection of sales and use taxes on any automotive vehicle, motorboat, truck trailer, trailer, semitrailer, travel trailer or manufactured home taxed under Code of Alabama 1975, Sections 40-23-101 and 40-23-102**

This notice is being issued to provide local officials and taxpayers guidance regarding the taxability of used vehicles brought into the State of Alabama by taxpayers from other states who will now reside in Alabama.

If the vehicle was substantially used in another state, no sales or use tax will be due at the time the vehicle is initially required to be registered with the local licensing official in Alabama. "Substantial use" may be evidenced by the vehicle having been registered, tagged, or titled, as applicable, in another state.

The department's Sales and Use Tax Division will amend Sales and Use Tax Rule 810-6-5-.11.05 (Casual Sales Tax and Use Tax on Automotive Vehicles, Motorboats, Truck Trailers, Trailers, Semitrailers, Travel Trailers, and Manufactured Homes) in order to provide clear guidelines on this issue. Once adopted, this amended rule will supersede this notice.

Please note, the guidance provided in this notice should be followed to determine whether sales or use tax is due to be collected at the time of registration. If it is determined that tax is due to be collected, local licensing officials should refer to the department's "Casual Sales and Use Tax Reciprocity Notice" issued September 11, 2017, for guidance regarding credit for use or sales taxes paid to another state.

If you have any questions concerning this notice, please contact our office at (334) 353-9350 or (334) 353-9680 or e-mail us at: [STExemptionUnit@revenue.alabma.gov](mailto:STExemptionUnit@revenue.alabma.gov).