

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

810-6-1-141. Repairs, Outside or Sublet.

(1) The operator of a repair shop who sublets a part or all of a repair job purchases at wholesale tax free the repair parts installed by the outside or subrepairman. The shop operator shall bill such repair parts to his customers separately from any charges for labor and services and report and pay sales tax only on the retail sales price of such parts. Provided however, where repair parts are not separately billed, sales tax shall be paid on the total charge for the job.

(2) When the subrepairman uses or consumes materials and supplies, such as solder, paint, paint thinners, bits of wire, and cement, these materials are subject to tax at the time of purchase by the subrepairman, the tax to be paid to the supplier. Provided where the subrepairman also is engaged in the business of selling at retail such supplies and materials, they are purchased by him at wholesale and are subject to the tax when withdrawn from stock for use or consumption, the tax to be paid direct to the Department of Revenue by the subrepairmen. (Section 40-23-1(a)(10)) (Readopted through APA effective October 1, 1982)