

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

810-6-4-.20. Seller Must Pay and Collect Tax Due.

It is the mandatory duty of the seller, the taxpayer, to pay the tax lawfully due under the Sales Tax Law and a like mandatory duty to add the amount thereof to the sales price and to collect same from the customer. (Doby v. State, 174 So. 233, Meriwether v. State, 42 So.2d 465.)

(2) No retailer shall advertise or hold out or state to the public or to any consumer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer or that it will not be added to the sales price of the property sold or that, if added, it or any part thereof will be refunded. Under the provisions of this section, however, a retailer may advertise the sale of tangible personal property by (i) stating the sales price alone without reference to the tax, (ii) stating separately the sales price and the amount of tax to be collected thereon, or (iii) stating the sales price "plus tax" or "exclusive of tax" provided the retailer in the case of all such sales shall maintain his records to show separately the actual price of such sales and the amount of the tax paid thereon and provided such retailer, if requested, shall furnish the consumer with a sales slip or other like evidence of the sale showing the tax separately computed thereon.

(3) Whenever practical, each retailer shall add the sales tax as a separate line item to the selling price. The initial invoice, bill, charge ticket, sales slip, or receipt shall separately state the amount of the tax being charged. If not separately stated, it will be presumed that sales tax was not charged to the customer or collected. In such cases, the measure will be the gross receipts.

(a) In those instances where it is practically impossible to furnish a customer with an invoice, bill, charge ticket, sales slip, or receipt, the retailer shall conspicuously post a sign indicating that the charge for the item being purchased includes the price of the item and the total percentage of sales tax being collected. The sign shall be of sufficient size to allow a person of normal vision to read it from a distance of 20 feet and shall be posted in plain view.

(b) Each retailer who makes tax-included sales in which tax is an unspecified part of the customer charge shall post a sign pursuant to paragraph (a) using the following example:

<p><u>Charge for items purchased includes price of item and 8% sales tax.</u></p>

This requirement is effective upon adoption under the Administrative Procedures Act. (Sections 40-2A-7(a)(5), 40-23-2(1), 40-23-9, 40-23-26, and 40-23-31, Code of Alabama 1975) (Readopted through APA effective October 1, 1982, amended June 10, 2005)