

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

810-6-1-.197. Sales Taxes Paid by Certain Camps.

(1) The term “camp” as used in this rule shall mean a facility providing lodgings, meals, and educational and recreational opportunities primarily for the benefit of children, students, and nonprofit organizations, and not members of the general public. The term “camp” as used in this rule shall not include any facility that does not qualify for the lodgings tax exemptions contained in Sections 40-26-1(b)(ii) or 40-26-1(b)(iii), Code of Alabama 1975.

(2) The term “department” as used in this rule shall mean the Alabama Department of Revenue.

(3) The definitions of terms contained in Section 40-26-1(c), are incorporated into this rule by reference.

(4) The furnishing of food, food items, T-shirts, caps, gym bags, and similar items by a camp, without a separate charge therefor, to children or students, members of a child or student’s family, members and guests of nonprofit organizations, or other persons in conjunction with lodgings, meals, and educational or recreational opportunities provided for a lump sum payment shall not be considered a sale at retail. The furnishing of these items and activities is considered to be rendering a service rather than making a retail sale and the camp is considered to be the consumer of the items furnished. Unless the camp provides a valid sales tax account number or certificate of exemption, the vendor selling these items to the camp shall collect state and applicable county and municipal sales or use taxes from the camp at the time of purchase and remit the taxes collected to the department.

(5) Sales of food, food items, T-shirts, caps, gym bags, and similar items by a camp that purchases these items and regularly displays and offers them for sale through a gift shop, snack shop, or similar place to children or students, members of a child or student’s family, members and guests of nonprofit organizations, or other persons for a separate charge that is in addition to any lump sum charge for lodgings, meals, and educational or recreational opportunities shall be considered sales at retail and are subject to state and applicable county and municipal sales tax. A camp making retail sales of this nature shall obtain a sales tax license and comply with Sales and Use Tax Rule 810-6-1-.56 entitled Dual Business. (Sections 40-23-1(a)(9), 40-23-1(a)(10), and 40-23-6, Code of Alabama 1975)

(6) A camp that does not maintain a stock or inventory of food, food items, T-shirts, caps, gym bags, and similar items from which it regularly makes retail sales as outlined in paragraph (5) and makes only isolated or accommodation sales of these items which it acquired for use in conjunction with providing services as outlined in paragraph (4) is not engaged in making retail sales and does not qualify as a dual business. Where only isolated or accommodation sales of this nature are made, the camp shall pay state and applicable county and municipal sales or use tax to its vendors on all of its purchases of the items and is not required to obtain a sales tax license.

(Continued)

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

810-6-1-.197. (Continued)

(7) The sales tax on amusements levied in Section 40-23-2(2), does not apply to a camp's receipts from providing lodgings, meals, and educational or recreational opportunities for a lump sum payment. (Adopted through APA effective September 27, 1999)