

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

810-6-2-.79. Repairs of Electric Motors and Electric Generators.

(1) Parts and attachments furnished by repairmen in reconditioning or repairing electric motors and electric generators are sold by the repairmen to the owners of the motors and generators. The repairman's sales of repair parts, such as ball bearings, brushes and wire used in rewinding, are subject to the sales tax. These parts and attachments are purchased at wholesale tax free by the repairman.

(2) Materials which lose their identity because of use by a repairman in repairing or reconditioning electric motors and electric generators, such as solder, babbitt, varnish, and insulation paste are subject to sales or use tax when purchased by the repairman. The tax shall be paid to the repairman's supplier or direct to the Department of Revenue as the circumstances require. Provided, however, where a repairman is engaged in the business of selling such repair materials, as well as using them, he may purchase at wholesale all repair materials which he both sells and uses in making repairs and pay direct to the Department of Revenue as sales tax the amount due on both sales and withdrawals from stock for use.

(3) The repairman's charges for labor used in installing parts and materials are not to be included in the measure of tax to be collected from his customers and paid to this state where such charges for labor are separately invoiced by the repairman to his customers and where the books and records of the repairman are kept in such a manner as to clearly reflect receipts from making installations and rendering services.

(4) In those instances where repair parts are used in repairing or rebuilding a motor or generator used in such a way that it would be taxed at the special machine rate, such repair parts are also taxed at the special rate. (Section 40-23-2(1)) (Readopted through APA effective October 1, 1982)