

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

810-6-4-13. Permit Issued to Electric Cooperatives, Telephone Companies and Others.

(1) The term "Department" as used in this regulation shall mean the Department of Revenue of the State of Alabama.

(2) Where the Department finds that it is practically impossible at the time of purchase for an electric cooperative, telephone company, or anyone engaged in a similar type of business, or their vendors, to determine with any degree of certainty the applicability of state-administered city and county use taxes to purchases of tangible personal property and where it would facilitate and expedite the collection of the taxes to permit the purchaser to purchase tangible personal property without the payment to the vendor of the applicable state-administered city and county use taxes; the electric cooperative, telephone company, or anyone engaged in a similar business, upon application therefor, may be permitted to purchase tangible personal property without payment to the vendor of state-administered city and county use taxes subject to the following conditions:

(a) The permit holder shall purchase all tangible personal property without payment of state-administered city and county use taxes to the seller, and shall report and pay all state-administered city and county use taxes directly to the Department.

(b) The permit holder shall report state-administered city and county use taxes upon forms approved by the Department and shall pay the taxes directly to the Department on or before the twentieth day of the month following the tax reporting period during which the tangible personal property was used for a taxable purpose.

(c) The permit holder shall be required to keep the books and records necessary to determine the use tax liability, which records shall be subject to examination by the Department.

(d) The permit does not extend to construction contracts. The contractor is the consumer of building materials used in the performance of construction contracts, and must pay any applicable city and county taxes to the seller at the time of purchasing the materials. If an applicable use tax is not paid to the seller, the contractor is required to pay the tax directly to the Department.

(e) The permit shall not be transferable and may be canceled upon notice by registered mail to the permit holder.

(f) The permit applies only to city and county use taxes collected by the Department.

(3) An application for the permit shall be made on forms furnished by the Department and shall require the following information:

(a) Applicant's Federal Employer Identification Number,

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810-6-4-13. (Continued)

- (b) Applicant's legal name and complete mailing address,
 - (c) Business address(es) in Alabama including city, county, and street address or, if location is on a highway or rural route, including details sufficient to allow Department personnel to find the place of business,
 - (d) Indication of the nature of business,
 - (e) Business phone number,
 - (f) Desired effective date of permit, and
 - (g) Signature and title of sole proprietor, each partner, or an elected corporate officer and the date of each signature.
- (4) The permit shall contain the following information:
- (a) Taxpayer's direct pay permit number, legal name, and complete address,
 - (b) Permit holder's principal business location in Alabama,
 - (c) Nature of the permit holder's business,
 - (d) Effective date of the permit,
 - (e) Statement of the conditions to which the permit is subject
 - (f) Legal name of the applicant for the direct pay permit, the date the application was filed, and the date the Department approved the application,
 - (g) Signature on behalf of the Department and the date signed, and
 - (h) Attesting signature of the Departmental Secretary.

(Adopted July 2, 1975, amended November 3, 1980, readopted through APA effective October 1, 1982, amended June 6, 1996, amended October 20, 1998)