

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

810-6-4-.21.01. Determining the Applicable Tax Levy or Tax Rate when an Existing Sales or Use Tax Levy is Replaced or Amended.

(1) The term "local sales or use taxes" as used in this rule shall include county or municipal sales and use taxes and county or municipal gross receipts taxes in the nature of a sales tax.

(2) When the rates of local sales or use taxes change, or an existing local sales and use tax levy is repealed and replaced by a new tax levy, or both; the time that a sale or purchase occurs shall determine the applicable tax rate, or the applicable tax levy, or both. A sale or purchase occurs at the time and place when and where title is transferred by the seller or seller's agent to the purchaser or the purchaser's agent. Sales or purchases occurring before the effective date of a rate change or before the effective date of a new tax levy which replaces an older tax levy are subject to the old rate or old tax levy, or both. Sales or purchases occurring on or after the effective date of a rate change or on or after the effective date of a new tax levy which replaces an older tax levy are subject to the new rate or the new tax levy, or both. (Section 40-23-1(a)(5), Code of Alabama 1975)

(3) For purposes of determining transfer of title, property is delivered by the seller or the seller's agent to the buyer or buyer's agent by:

(a) The buyer or the buyer's agent taking possession of the property at the seller's place of business,

(b) The seller making delivery to the buyer or the buyer's agent by use of a conveyance owned by the seller, or

(c) The seller's agent making delivery to the buyer or the buyer's agent.

(4) A common carrier or the U.S. Postal Service shall be deemed the seller's agent regardless of any F.O.B. point and regardless of who selects the method of transportation, and regardless of by whom or the method by which freight, postage, or any other transportation charge is paid. (Section 40-23-1(a)(5))

(5) Unless the new state sales and use tax levy statutorily provides otherwise, the applicability of a new state sales and use tax levy which replaces an existing state levy shall be determined in the same manner as outlined above for determining the applicable local sales and use tax levy.

(6) See Rule 810-6-4-.21 entitled Reporting and Paying Sales or Seller's Use Tax on Collections of Accounts Receivable on the Seller's Books at the Time of a Rate Increase. (Adopted through APA effective December 28, 1998)