

ALABAMA DEPARTMENT OF REVENUE  
BUSINESS & LICENSE TAX DIVISION

Uniform Natural Minerals Tax Rule

810-8-7-.05 Producer's Responsibility to Collect and Remit the Tax.

(1) It is the producer's responsibility to collect the tax from the first purchaser at the time of sale or delivery unless the severed materials qualify for an exemption. The tax attaches at the point the products are sold or delivered by a producer to the first purchaser.

(2) The producer must identify the tax on a bill of sale, invoice or other similar sales document to the purchaser of the severed materials unless said product qualifies for exemption.

(3) Producers failing to identify the tax on the sales document or failing to collect the identified tax from the purchaser must remit the tax to the Department as if it was identified and collected.

(4) Purchasers claiming an exemption must provide the following information to the producer.

- (a) Name,
- (b) Address,
- (c) Date of sale,
- (d) Type of product,
- (e) Product usage,
- (f) Reason for the exemption,

(g) Mode of transportation (if claiming product was not transported on the public roads in this State), and

(h) A statement that the severed materials will be used by an exempt entity or used for an exempt purpose.

(5) Producer must maintain copies of the required exemption documentation and submit this information to the Department upon request. The exemption documentation may be in the form of a written contract signed by the purchaser, an invoice, or any other form that the purchaser provides to the producer that contains the above-described information. The exemption documentation may include a statement that the purchaser understands that he/she is assuming the tax liability if the exemption is later disallowed. Producers which fail to obtain the exemption documentation are

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810-8-7-.05 Producer's Responsibility to Collect and Remit the Tax. (Cont'd)

responsible for the tax if it is later determined that the product was not used by an exempt entity or used for an exempt purpose.

(Sections 40-2A-7(a)(5) and 40-13-55, Code of Alabama 1975, effective January 11, 2013)