

810-6-1-.10 Services Rendered By Upholsterers

(1) An upholsterer renders a service and sells tangible personal property. Materials used or consumed by the upholsterer that are not passed to the customer are considered supplies and are taxable at the time of purchase by the upholsterer. Materials passed to the customer that either lose their identity or are inconsequential to the product are also taxable at the time of purchase by the upholsterer. Examples of these materials include but are not limited to:

- (a) Tacks
- (b) Glue
- (c) Thread
- (d) Binding Twine
- (e) Webbing
- (f) Glimp Tape
- (g) Welting
- (h) Padding
- (i) Stain
- (j) Varnish

(2) Materials passed to the customer that are a substantial part of the product and do not lose their identity are considered taxable retail sales made by the upholsterer. Custom items fabricated and sold are subject to Sales Tax on the full sales price of the item without any deduction for labor or service unless the installation fee is separately stated. Examples of these materials include but are not limited to:

- (a) Cloth
- (b) Leather
- (c) Vinyl
- (d) Foam rubber
- (e) Springs
- (f) Covers for cars, boats, and furniture

(3) Separate agreements to sell the materials and perform the labor and service require tax to be collected and remitted on the price of the materials only, if the records and invoices clearly show separation of the amount received from the sale of the materials and the act of rendering the service. If there is no clear separation of the materials and services, then tax is due on both the sales and services rendered.

Author: Leslie Michaud

Authority: §§ 40-2A-7(a)(5), 40-23-1-(a)(10), 40-23-31, and 40-23-83,
Code of Ala. 1975.

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