

810-6-4-.07 Farm Machines, Machinery, Equipment, and Vessels.

(1) Definitions.

(a) Commercial Fishing Vessel – Any vessel whose masters and owners are regularly and exclusively engaged in commercial fishing as their means of livelihood by a holder of a commercial license issued pursuant to Chapter 12 of Title 9.

(b) Machine, Machinery, or Equipment – Sales at retail of any machine, machinery, or equipment that is used in planting, cultivating, and harvesting farm products or used in connection with the production of agricultural produce or products, livestock, or poultry on farms, and sales at retail of any parts of such machine, machinery, or equipment, attachments and replacements that are made or manufactured for use on or in the operation of the machine, machinery, or equipment and are necessary to and customarily used in the operation of such machine, machinery, or equipment. Examples of items that qualify as machine, machinery, or equipment include but are not limited to tractors, detachable plows, harrows, planters, cultivators, fertilizer spreaders, plow stocks, turning plows, seed drills, and sprayers.

(2) Unless otherwise exempt from sales or use tax, pursuant to §40-23-4, Code of Ala. 1975, the reduced rate of one- and one-half percent applies to a Commercial Fishing Vessel, Machine, Machinery, or Equipment. The reduced rate does not apply to sales of parts, attachments, and replacements for any automotive vehicle or trailer designed primarily for public highway use, except farm trailers used primarily in the production and harvesting of agricultural commodities.

(3) The general sales or use tax rate applies to all hand tools. A power chain saw sold for use by a pulpwood dealer in cutting trees for sale in the dealer's regular course of business qualifies for the reduced sales or use tax rate of one- and one-half percent. A power chain saw sold for nonfarm use is taxable at the general sales or use tax rate. See Rule 810-6-2-.66.05 Portable Power Saws.

(4) Where any used machine, machinery, equipment, or commercial fishing vessel is taken in trade or in a series of trades as credit or partial payment on a sale of the new or used machine, machinery, equipment, or commercial fishing vessel, the measure of sales or use tax shall be the price of the new or used machine, machinery, equipment, or commercial fishing vessel sold, less the credit for the used machine, machinery, equipment, or commercial fishing vessel taken in trade.

(5) The dealers' sales invoices will be accepted as the basis for determining the tax rate applicable unless there is conclusive evidence that the invoice does not reveal the true facts.

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Authority: §§40-2A-7(a)(5), 40-23-1, 40-23-4, 40-23-31, 40-23-37, 40-23-60, 40-23-63, Code of Ala. 1975.

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