
NOTICE

May 23, 2025

County and Municipal Sales and Use Tax Exemptions

Effective May 6, 2025, Act 2025-280 provides a standardized process for counties and municipalities to provide for corresponding exemptions that apply only to state sales and use taxes.

Pursuant to this act, any law that enacts or amends a sales and use tax exemption shall apply only to state sales and use taxes and shall not apply to county or municipal sales and use taxes, unless all of the following are satisfied:

1. The law provides for exemption of county or municipal sales and use taxes.
2. The exemption is approved by resolution or ordinance of the county or municipality.
3. The county commission or municipality provides notice of the resolution or ordinance to the Alabama Department of Revenue (ALDOR) by July 1 prior to the effective date of the exemption.

The resolution or ordinance must include all of the following provisions:

1. An effective date of September 1 of a given year for the exemption.
2. The duration of the exemption, which must be in fiscal year increments or in perpetuity.

A county or municipality may rescind a county or municipal sales and use tax exemption by resolution or ordinance provided both of the following conditions are met:

1. The rescission is effective beginning on September 1 of a given fiscal year.
2. The county commission or municipality provides notice of the resolution or ordinance to ALDOR by July 1 prior to the effective date of the rescission.

ALDOR will publish and maintain a list of county and municipal sales and use tax exemptions that are adopted pursuant to the act.

Resolutions and ordinances may be provided to ALDOR through the local government portal, which may be accessed at revenue.alabama.gov/division/sales-use/ under Local Governments.

If you have any questions, contact ALDOR's Sales Tax Administration Section.

Contact

Sales and Use Tax Division
Sales Tax Administration Section
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