

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

810-6-1-.182. Upholstery Shops.

(1) An upholstery shop renders service and sells tangible personal property. Materials which pass to the upholsterer's customer and which do not lose their identity when used by the upholsterer and which are a substantial part of the repair job (such as cloth, leather or vinyl, foam rubber, and springs) are sold at retail by the upholsterer. He must collect and report sales tax on such sales, including tax on the services that are incidental thereto. He may, however, if he makes a separate agreement to sell the materials and to perform the labor and service required, collect and remit the tax only upon the price of the materials if his records and invoices clearly show a separation of the amount received from the sale of materials and from rendering service. These materials are purchased at wholesale, tax free, by the upholsterer.

(2) Materials which pass to the upholsterer's customer but which lose their identity when used by the upholsterer or which are inconsequential in amount (such as tacks, glue, thread, binding twine, webbing, gimp tape, welting, padding, stain, and varnish) are considered to have been used or consumed by the upholsterer and are taxable at the time of purchase by him.

(3) Materials which are used or consumed by the upholsterer and which do not pass on to the customer are supplies and taxable when purchased by the upholsterer. (Section 40-23-1(a)(10)) (Readopted through APA effective October 1, 1982)