



**Alabama Department
of Revenue**



**Sales & Use Tax
Section**

Sales, Use & Business Tax Division

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STATE TAX RATES

with applicable Code of Alabama 1975 Sections

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SALES & USE TAX RATES					
General 40-23-2(1) 40-23-61(a)	Automotive 40-23-2(4) 40-23-61(c)	Manufacturing Machinery 40-23-2(3) 40-23-61(b)	Farm Machinery 40-23-37 40-23-63	Vending 40-23-2(5)	Amusement 40-23-2(2)
4 %	2 %	1.5 %	1.5 %	3 % of the retail sales price of food products sold through vending machines All other products: 4 %	4 %

RENTAL OR LEASING TAX RATES		
General/Other 40-12-222	Automotive 40-12-222	Linens/Garments 40-12-222
4 %	1.5 %	2 %

LODGINGS TAX RATES	
Alabama Mountain Lakes Area 40-26-1(a)	All Other Alabama Counties 40-26-1(a)
5 % Includes the following Counties: Blount, Cherokee, Colbert, Cullman, DeKalb, Etowah, Franklin, Jackson, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan and Winston	4 %

CONTRACTORS GROSS RECEIPTS TAX RATE 40-23-50(a)
5 % of gross receipts derived from performance of contracts to construct, reconstruct or build any public highway, road, bridge or street

UTILITY GROSS RECEIPTS TAX & UTILITY SERVICE USE TAX RATES
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Electricity, Domestic Water, and Natural Gas Services
40-21-82(a) & 40-21-102(a)

If monthly gross sales or gross receipts respecting a person are:	The tax is:
Not over \$40,000.00	4 % of such gross sales or gross receipts
Over \$40,000.00 but not over \$60,000.00	\$1,600.00 plus 3 % of excess over \$40,000.00
Over \$60,000.00	\$2,200.00 plus 2 % of excess over \$60,000.00

Telephone and Telegraph Services

40-21-82(b) & 40-21-102(b) (Act #2001-1090)

For bills dated on or after 4/1/02, the tax rate is:

6 % of all gross sales or gross receipts.

For bills dated prior to 4/1/02, the tax rate is:

If monthly gross sales or gross receipts respecting a person are:	The tax is:
Not over \$60,000.00	6.7% of such gross sales or gross receipts
Over \$60,000.00	\$4,020.00 plus 3.7% of excess over \$60,000.00

MOBILE TELECOMMUNICATIONS SERVICE TAX RATES

40-21-121(a) (Act # 2001-1090)

6 % of gross sales or gross receipts from monthly charges from the furnishing of mobile telecommunications service and mobile radio communication services.

2.2 % UTILITY LICENSE TAX RATES

40-21-53(a)

2.2 % of each dollar of gross receipts from each entity operating a public utility (hydroelectric, railroads, express companies, telephone and telegraph companies excepted)

HYDROELECTRIC KILOWATT HOUR TAX RATES

40-21-56

2/5 mill on each kilowatt hour of hydroelectric power manufactured and sold

ALABAMA NURSING FACILITIES PRIVILEGE TAX RATES

40-26B-21(a) & (b)

Annual rate of \$1,200.00 for each bed in the facility (for periods prior to June 2004)

Annual rate of \$1,899.96 for each bed in the facility (Effective 6/1/04 per Act No. 2004-532. Beginning with the June 2004 return.)

PHARMACEUTICAL PROVIDER TAX RATES

40-26B-2

Ten cents for each prescription filled or refilled, with a retail price of \$3.00 or more for a citizen of Alabama

DRY CLEANING ENVIRONMENTAL RESPONSE TRUST FUND REGISTRATION FEES
Owner/Operator of an Existing Dry Cleaning Facility as of 4/24/00 Electing to be Covered (22-30D-6(a))
2% of the gross receipts earned in Alabama during the prior calendar year, not to exceed \$25,000 per year.
New Owner/Operator Acquiring an Existing Dry Cleaning Facility after 4/24/00 Electing to be Covered (22-30D-6(b))
2% of the gross receipts earned in Alabama by the prior owner/operator during the prior calendar year less the amount paid by prior owner/operator, not to exceed \$25,000.
New Owner/Operator Establishing a New Dry Cleaning Facility after 5/24/00 Electing to be Covered (22-30D-6(c))
One-time registration fee of \$5,000 for the first year of operation; for the second year of operation, the greater of \$5,000 or 2% of the gross receipts earned for prior calendar year, not to exceed \$25,000. For each year thereafter, see "Owner/Operator of an Existing Dry Cleaning Facility" above.
Wholesale Distributors of Dry Cleaning Agents (22-30D-6(d))
\$5,000 per year.
Owner of Abandoned Dry Cleaning Facility or Impacted Third Party (22-30D-6(m))
\$5,000 per year per site.

[Disposition of Revenue Derived From Above Taxes](#)

This page last updated February 7, 2006.

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