

# HB51 INTRODUCED



1 HB51  
2 6RQE3ZZ-1  
3 By Representative Wilcox  
4 RFD: Ways and Means Education  
5 First Read: 06-Feb-24  
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SYNOPSIS:

Under current law certain items are exempt from sales and use tax. These taxes are imposed on the gross proceeds from the sale of hearing instruments, including hearing aids under current law.

This bill would exempt the gross proceeds from the sale of hearing instruments, including hearing aids from sales and use tax.

A BILL  
TO BE ENTITLED  
AN ACT

To amend Section 40-23-4, Code of Alabama 1975, relating to sales and use tax exemptions, to exempt the gross proceeds from the sale or sales of hearing instruments, including hearing aids from sales and use tax.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-23-4, Code of Alabama 1975, is amended to read as follows:

"§40-23-4

(a) There are exempted from the provisions of this division and from the computation of the amount of the tax levied, assessed, or payable under this division the



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29 following:

30

31 (1) The gross proceeds of the sales of lubricating oil  
32 and gasoline as defined in Sections 40-17-30 and 40-17-170 and  
33 the gross proceeds from those sales of lubricating oil  
34 destined for out-of-state use which are transacted in a manner  
35 whereby an out-of-state purchaser takes delivery of such oil  
36 at a distributor's plant within this state and transports it  
37 out-of-state, which are otherwise taxed.

38 (2) The gross proceeds of the sale, or sales, of  
39 fertilizer when used for agricultural purposes. The word  
40 "fertilizer" shall not be construed to include cottonseed  
41 meal, when not in combination with other materials.

42 (3) The gross proceeds of the sale, or sales, of seeds  
43 for planting purposes and baby chicks and poults. Nothing  
44 herein shall be construed to exempt or exclude from the  
45 computation of the tax levied, assessed, or payable, the gross  
46 proceeds of the sale or sales of plants, seedlings, nursery  
47 stock, or floral products.

48 (4) The gross proceeds of sales of insecticides and  
49 fungicides when used for agricultural purposes or when used by  
50 persons properly permitted by the Department of Agriculture  
51 and Industries or any applicable local or state governmental  
52 authority for structural pest control work and feed for  
53 livestock and poultry, but not including prepared food for  
54 dogs and cats.

55 (5) The gross proceeds of sales of all livestock by  
56 whomsoever sold, and also the gross proceeds of poultry and



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57 other products of the farm, dairy, grove, or garden, when in  
58 the original state of production or condition of preparation  
59 for sale, when such sale or sales are made by the producer or  
60 members of the producer's immediate family or for the producer  
61 by those employed by the producer to assist in the production  
62 thereof. Nothing herein shall be construed to exempt or  
63 exclude from the measure or computation of the tax levied,  
64 assessed, or payable hereunder, the gross proceeds of sales of  
65 poultry or poultry products when not products of the farm.

66 (6) Cottonseed meal exchanged for cottonseed at or by  
67 cotton gins.

68 (7) The gross receipts from the business on which, or  
69 for engaging in which, a license or privilege tax is levied by  
70 or under Sections 40-21-50, 40-21-53, and 40-21-56 through  
71 40-21-60; provided, that nothing contained in this subdivision  
72 shall be construed to exempt or relieve the person or persons  
73 operating the business enumerated in these sections from the  
74 payments of the tax levied by this division upon or measured  
75 by the gross proceeds of sales of any tangible personal  
76 property, except gas and water, the gross receipts from the  
77 sale of which are the measure of the tax levied by Section  
78 40-21-50, merchandise or other tangible commodities sold at  
79 retail by the persons, unless the gross proceeds of sale  
80 thereof are otherwise specifically exempted by this division.

81 (8) The gross proceeds of sales or gross receipts of or  
82 by any person, firm, or corporation, from the sale of  
83 transportation, gas, water, or electricity, of the kinds and  
84 natures, the rates and charges for which, when sold by public



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85 utilities, are customarily fixed and determined by the Public  
86 Service Commission of Alabama or like regulatory bodies.

87 (9) The gross proceeds of the sale, or sales of wood  
88 residue, coal, or coke to manufacturers, electric power  
89 companies, and transportation companies for use or consumption  
90 in the production of by-products, or the generation of heat or  
91 power used in manufacturing tangible personal property for  
92 sale, for the generation of electric power or energy for use  
93 in manufacturing tangible personal property for sale or for  
94 resale, or for the generation of motive power for  
95 transportation.

96 (10) The gross proceeds from the sale or sales of fuel  
97 and supplies for use or consumption aboard ships, vessels,  
98 towing vessels, or barges, or drilling ships, rigs or barges,  
99 or seismic or geophysical vessels, or other watercraft (herein  
100 for purposes of this exemption being referred to as "vessels")  
101 engaged in foreign or international commerce or in interstate  
102 commerce; provided, that nothing in this division shall be  
103 construed to exempt or exclude from the measure of the tax  
104 herein levied the gross proceeds of sale or sales of material  
105 and supplies to any person for use in fulfilling a contract  
106 for the painting, repair, or reconditioning of vessels,  
107 barges, ships, other watercraft, and commercial fishing  
108 vessels of over five tons load displacement as registered with  
109 the U.S. Coast Guard and licensed by the State of Alabama  
110 Department of Conservation and Natural Resources.

111 For purposes of this subdivision, it shall be presumed  
112 that vessels engaged in the transportation of cargo between



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113 ports in the State of Alabama and ports in foreign countries  
114 or possessions or territories of the United States or between  
115 ports in the State of Alabama and ports in other states are  
116 engaged in foreign or international commerce or interstate  
117 commerce, as the case may be. For the purposes of this  
118 subdivision, the engaging in foreign or international commerce  
119 or interstate commerce shall not require that the vessel  
120 involved deliver cargo to or receive cargo from a port in the  
121 State of Alabama. For purposes of this subdivision, vessels  
122 carrying passengers for hire, and no cargo, between ports in  
123 the State of Alabama and ports in foreign countries or  
124 possessions or territories of the United States or between  
125 ports in the State of Alabama and ports in other states shall  
126 be engaged in foreign or international commerce or interstate  
127 commerce, as the case may be, if, and only if, both of the  
128 following conditions are met: (i) The vessel in question is a  
129 vessel of at least 100 gross tons; and (ii) the vessel in  
130 question has an unexpired certificate of inspection issued by  
131 the United States Coast Guard or by the proper authority of a  
132 foreign country for a foreign vessel, which certificate is  
133 recognized as acceptable under the laws of the United States.  
134 Vessels that are engaged in foreign or international commerce  
135 or interstate commerce shall be deemed for the purposes of  
136 this subdivision to remain in such commerce while awaiting or  
137 under repair in a port of the State of Alabama if the vessel  
138 returns after such repairs are completed to engaging in  
139 foreign or international commerce or interstate commerce. For  
140 purposes of this subdivision, seismic or geophysical vessels



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141 which are engaged either in seismic or geophysical tests or  
142 evaluations exclusively in offshore federal waters or in  
143 traveling to or from conducting such tests or evaluations  
144 shall be deemed to be engaged in international or foreign  
145 commerce. For purposes of this subdivision, proof that fuel  
146 and supplies purchased are for use or consumption aboard  
147 vessels engaged in foreign or international commerce or in  
148 interstate commerce may be accomplished by the merchant or  
149 seller securing the duly signed certificate of the vessel  
150 owner, operator, or captain or such person's respective agent,  
151 on a form prescribed by the department, that the fuel and  
152 supplies purchased are for use or consumption aboard vessels  
153 engaged in foreign or international commerce or in interstate  
154 commerce. Any person filing a false certificate shall be  
155 guilty of a misdemeanor and upon conviction shall be fined not  
156 less than twenty-five dollars (\$25) nor more than five hundred  
157 dollars (\$500) for each offense. Each false certificate filed  
158 shall constitute a separate offense. Any person filing a false  
159 certificate shall be liable to the department for all taxes  
160 imposed by this division upon the merchant or seller, together  
161 with any interest or penalties thereon, by reason of the sale  
162 or sales of fuel and supplies applicable to the false  
163 certificate. If a merchant or seller of fuel and supplies  
164 secures the certificate herein mentioned, properly completed,  
165 the merchant or seller shall not be liable for the taxes  
166 imposed by this division, if the merchant or seller had no  
167 knowledge that the certificate was false when it was filed  
168 with the merchant or seller.



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169           (11) The gross proceeds of sales of tangible personal  
170 property to the State of Alabama, to the counties within the  
171 state and to incorporated municipalities of the State of  
172 Alabama.

173           (12) The gross proceeds of the sale or sales of  
174 railroad cars, vessels, barges, and commercial fishing vessels  
175 of over five tons load displacement as registered with the  
176 U.S. Coast Guard and licensed by the State of Alabama  
177 Department of Conservation and Natural Resources, when sold by  
178 the manufacturers or builders thereof.

179           (13) The gross proceeds of the sale or sales of  
180 materials, equipment, and machinery that, at any time, enter  
181 into and become a component part of ships, vessels, towing  
182 vessels or barges, or drilling ships, rigs or barges, or  
183 seismic or geophysical vessels, other watercraft and  
184 commercial fishing vessels of over five tons load displacement  
185 as registered with the U.S. Coast Guard and licensed by the  
186 State of Alabama Department of Conservation and Natural  
187 Resources. Additionally, the gross proceeds from the sale or  
188 sales of lifeboats, personal flotation devices, ring life  
189 buoys, survival craft equipment, distress signals, EPIRB's,  
190 fire extinguishers, injury placards, waste management plans  
191 and logs, marine sanitation devices, navigation rulebooks,  
192 navigation lights, sound signals, navigation day shapes, oil  
193 placard cards, garbage placards, FCC SSL, stability  
194 instructions, first aid equipment, compasses, anchor and radar  
195 reflectors, general alarm systems, bilge pumps, piping, and  
196 discharge and electronic position fixing devices which are





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197 used on the aforementioned watercraft.

198 (14) The gross proceeds of the sale or sales of fuel  
199 oil purchased as fuel for kiln use in manufacturing  
200 establishments.

201 (15) The gross proceeds of the sale or sales of  
202 tangible personal property to county and city school boards  
203 within the State of Alabama, independent school boards within  
204 the State of Alabama, all educational institutions and  
205 agencies of the State of Alabama, the counties within the  
206 state, or any incorporated municipalities of the State of  
207 Alabama, and private educational institutions operating within  
208 the State of Alabama offering conventional and traditional  
209 courses of study, such as those offered by public schools,  
210 colleges, or universities within the State of Alabama; but not  
211 including nurseries, day care centers, and home schools.

212 (16) The gross proceeds from the sale of all devices or  
213 facilities, and all identifiable components thereof, or  
214 materials for use therein, acquired primarily for the control,  
215 reduction, or elimination of air or water pollution and the  
216 gross proceeds from the sale of all identifiable components  
217 of, or materials used or intended for use in, structures built  
218 primarily for the control, reduction, or elimination of air  
219 and water pollution.

220 (17) The gross proceeds of sales of tangible personal  
221 property or the gross receipts of any business which the state  
222 is prohibited from taxing under the Constitution or laws of  
223 the United States or under the Constitution of this state.

224 (18) When dealers or distributors use parts taken from



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225 stocks owned by them in making repairs without charge for the  
226 parts to the owner of the property repaired pursuant to  
227 warranty agreements entered into by manufacturers, such use  
228 shall not constitute taxable sales to the manufacturers,  
229 distributors, or to the dealers, under this division or under  
230 any county sales tax law.

231 (19) The gross proceeds received from the sale or  
232 furnishing of food, including potato chips, candy, fruit and  
233 similar items, soft drinks, tobacco products, and stationery  
234 and other similar or related articles by hospital canteens  
235 operated by Alabama state hospitals at Bryce Hospital and  
236 Partlow State School for Mental Deficients at Tuscaloosa,  
237 Alabama, and Searcy Hospital at Mt. Vernon, Alabama, for the  
238 benefit of the patients therein.

239 (20) The gross proceeds of the sale, or sales, of  
240 wrapping paper and other wrapping materials when used in  
241 preparing poultry or poultry products for delivery, shipment,  
242 or sale by the producer, processor, packer, or seller of such  
243 poultry or poultry products, including pallets used in  
244 shipping poultry and egg products, paper or other materials  
245 used for lining boxes or other containers in which poultry or  
246 poultry products are packed together with any other materials  
247 placed in such containers for the delivery, shipment, or sale  
248 of poultry or poultry products.

249 (21) The gross proceeds of the sales of all  
250 antibiotics, hormones and hormone preparations, drugs,  
251 medicines or medications, vitamins, minerals or other  
252 nutrients, and all other feed ingredients including



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253 concentrates, supplements, and other feed ingredients when  
254 such substances are used as ingredients in mixing and  
255 preparing feed for fish raised to be sold on a commercial  
256 basis, livestock, and poultry. Such exemption herein granted  
257 shall be in addition to exemptions now provided by law for  
258 feed for fish raised to be sold on a commercial basis,  
259 livestock, and poultry, but not including prepared foods for  
260 dogs or cats.

261 (22) The gross proceeds of the sale, or sales, of  
262 seedlings, plants, shoots, and slips which are to be used for  
263 planting vegetable gardens or truck farms and other  
264 agricultural purposes. Nothing herein shall be construed to  
265 exempt, or exclude from the computation of the tax levied,  
266 assessed, or payable, the gross proceeds of the sale, or the  
267 use of plants, seedlings, shoots, slips, nursery stock, and  
268 floral products, except as hereinabove exempted.

269 (23) The gross proceeds of the sale, or sales, of  
270 fabricated steel tube sections, when produced and fabricated  
271 in this state by any person, firm, or corporation for any  
272 vehicular tunnel for highway vehicular traffic, when sold by  
273 the manufacturer or fabricator thereof, and also the gross  
274 proceeds of the sale, or sales, of steel which enters into and  
275 becomes a component part of such fabricated steel tube  
276 sections of said tunnel.

277 (24) The gross proceeds from sales of admissions to any  
278 theatrical production, symphonic or other orchestral concert,  
279 ballet, or opera production when the concert or production is  
280 presented by any society, association, guild, or workshop



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281 group, organized within this state, whose members or some of  
282 whose members regularly and actively participate in the  
283 concerts or productions for the purposes of providing a  
284 creative outlet for the cultural and educational interests of  
285 its members, and of promoting such interests for the  
286 betterment of the community by presenting the productions to  
287 the general public for an admission charge. The employment of  
288 a paid director or conductor to assist in any such  
289 presentation described in this subdivision shall not be  
290 construed to prohibit the exemptions herein provided.

291 (25) The gross proceeds of sales of "herbicides" for  
292 agricultural uses by whomsoever sold. The term herbicides, as  
293 used in this subdivision, means any substance or mixture of  
294 substances intended to prevent, destroy, repel, or retard the  
295 growth of weeds or plants. The term includes preemergence  
296 herbicides, postemergence herbicides, lay-by herbicides,  
297 pasture herbicides, defoliant herbicides, and desiccant  
298 herbicides.

299 (26) The Alabama Chapter of the Cystic Fibrosis  
300 Research Foundation and the Jefferson Tuberculosis Sanatorium  
301 and any of their departments or agencies, heretofore or  
302 hereafter organized and existing in good faith in the State of  
303 Alabama for purposes other than for pecuniary gain and not for  
304 individual profit, shall be exempted from the computation of  
305 the tax on the gross proceeds of all sales levied, assessed,  
306 or payable.

307 (27) The gross proceeds from the sale or sales of fuel  
308 for use or consumption aboard commercial fishing vessels are



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309 exempt from the computation of all sales taxes levied,  
310 assessed, or payable under this division or levied under any  
311 county or municipal sales tax law.

312 (28) The gross proceeds from the sales of rope, fishing  
313 nets, tools, or any substitute used directly in the process of  
314 commercial fishing by a holder of a commercial license issued  
315 pursuant to Chapter 12 of Title 9.

316 (29) The gross proceeds of sales of sawdust, wood  
317 shavings, wood chips, and other like materials sold for use as  
318 chicken litter by poultry producers and poultry processors.

319 (30) The gross proceeds of the sales of all  
320 antibiotics, hormones and hormone preparations, drugs,  
321 medicines, and other medications including serums and  
322 vaccines, vitamins, minerals, or other nutrients for use in  
323 the production and growing of fish, livestock, and poultry by  
324 whomsoever sold. The exemption herein granted shall be in  
325 addition to the exemption provided by law for feed for fish,  
326 livestock, and poultry, and in addition to the exemptions  
327 provided by law for the above-enumerated substances and  
328 products when mixed and used as ingredients in fish,  
329 livestock, and poultry feed.

330 (31) The gross proceeds of the sale or sales of all  
331 medicines prescribed by physicians for persons who are 65  
332 years of age or older, and when the prescriptions are filled  
333 by licensed pharmacists, shall be exempted under this division  
334 or under any county or municipal sales tax law. The exemption  
335 provided in this section shall not apply to any medicine  
336 purchased in any manner other than as is herein provided.



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337 For the purposes of this subdivision, proof of age may  
338 be accomplished by filing with the dispensing pharmacist any  
339 one or more of the following documents:

340 a. The name and claim number as shown on a Medicare  
341 card issued by the United States Social Security  
342 Administration.

343 b. A certificate executed by any adult person having  
344 knowledge of the fact that the person for whom the medicine  
345 was prescribed is not less than 65 years of age.

346 c. An affidavit executed by any adult person having  
347 knowledge of the fact that the person for whom the medicine  
348 was prescribed is not less than 65 years of age.

349 For the purposes of this subdivision, any person filing  
350 a false proof of age shall be guilty of a misdemeanor and upon  
351 conviction thereof shall be punished by a fine of one hundred  
352 dollars (\$100).

353 (32) There shall be exempted from the tax levied by  
354 this division the gross receipts of sales of grass sod of all  
355 kinds and character when in the original state of production  
356 or condition of preparation for sale, when the sales are made  
357 by the producer or members of the producer's family or for the  
358 producer by those employed by the producer to assist in the  
359 production thereof; provided, that nothing herein shall be  
360 construed to exempt sales of sod by a person engaged in the  
361 business of selling plants, seedlings, nursery stock, or  
362 floral products.

363 (33) The gross receipts of sales of the following items  
364 or materials that are necessary in the farm-to-market



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365 production of tomatoes when such items or materials are used  
366 by the producer or members of the producer's family or for the  
367 producer by those employed by the producer to assist in the  
368 production thereof: Twine for tying tomatoes, tomato stakes,  
369 field boxes (wooden boxes used to take tomatoes from the  
370 fields to shed), and tomato boxes used in shipments to  
371 customers.

372 (34) The gross proceeds from the sale of liquefied  
373 petroleum gas or natural gas sold to be used for agricultural  
374 purposes.

375 (35) The gross receipts of sales from state nurseries  
376 of forest tree seedlings.

377 (36) The gross receipts of sales of forest tree seed by  
378 the state.

379 (37) The gross receipts of sales of Lespedeza bicolor  
380 and other species of perennial plant seed and seedlings sold  
381 for wildlife and game food production purposes by the state.

382 (38) The gross receipts of any aircraft manufactured,  
383 sold, and delivered in this state if the aircraft are not  
384 permanently domiciled in Alabama and are removed to another  
385 state.

386 (39) The gross proceeds from the sale or sales of all  
387 diesel fuel used for off-highway agricultural purposes.

388 (40) The gross proceeds from sales of admissions to any  
389 sporting event that:

390 a. Takes place in the State of Alabama on or after  
391 January 1, 1984, regardless of when such sales occur; and

392 b. Is hosted by a not-for-profit corporation organized



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393 and existing under the laws of the State of Alabama; and

394 c. Determines a national championship of a national  
395 organization, including, but not limited to, the Professional  
396 Golfers Association of America, the Tournament Players  
397 Association, the United States Golf Association, the United  
398 States Tennis Association, and the National Collegiate  
399 Athletic Association; and

400 d. Has not been held in the State of Alabama on more  
401 than one prior occasion, provided, however, that for such  
402 purpose the Professional Golfers Association Championship, the  
403 United States Open Golf Championship, the United States  
404 Amateur Golf Championship of the United States Golf  
405 Association, and the United States Open Tennis Championship  
406 shall each be treated as a separate event.

407 (41) The gross receipts from the sale of any aircraft  
408 and replacement parts, components, systems, supplies, and  
409 sundries affixed or used on the aircraft and ground support  
410 equipment and vehicles used by or for the aircraft to or by a  
411 certificated or licensed air carrier with a hub operation  
412 within this state, for use in conducting intrastate,  
413 interstate, or foreign commerce for transporting people or  
414 property by air. For the purpose of this subdivision, the  
415 words "hub operation within this state" shall be construed to  
416 have both of the following criteria:

417 a. There originates from the location 15 or more flight  
418 departures and five or more different first-stop destinations  
419 five days per week for six or more months during the calendar  
420 year.





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421           b. Passengers or property or both are regularly  
422 exchanged at the location between flights of the same or a  
423 different certificated or licensed air carrier.

424           (42) The gross receipts from the sale of hot or cold  
425 food and beverage products sold to or by a certificated or  
426 licensed air carrier with a hub operation within this state,  
427 for use in conducting intrastate, interstate, or foreign  
428 commerce for transporting people or property by air. For the  
429 purpose of this subdivision, the words "hub operation within  
430 this state" shall be construed to have all of the following  
431 criteria:

432           a. There originates from the location 15 or more flight  
433 departures and five or more different first-stop destinations  
434 five days per week for six or more months during the calendar  
435 year.

436           b. Passengers or property or both are regularly  
437 exchanged at the location between flights of the same or a  
438 different certificated or licensed air carrier.

439           (43) The gross receipts from the sale of any aviation  
440 jet fuel to a certificated or licensed air carrier purchased  
441 for use in scheduled all-cargo operations being conducted on  
442 international flights or in international commerce. For  
443 purposes of this subdivision, the following words or terms  
444 shall be defined and interpreted as follows:

445           a. Air Carrier. Any person, firm, corporation, or  
446 entity undertaking by any means, directly or indirectly, to  
447 provide air transportation.

448           b. All-Cargo Operations. Any flight conducted by an air



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449 carrier for compensation or hire other than a passenger  
450 carrying flight, except passengers as specified in 14 C.F.R. §  
451 121.583(a) or 14 C.F.R. § 135.85, as amended.

452 c. International Commerce. Any air carrier engaged in  
453 all-cargo operations transporting goods for compensation or  
454 hire on international flights.

455 d. International Flights. Any air carrier conducting  
456 scheduled all-cargo operations between any point within the 50  
457 states of the United States and the District of Columbia and  
458 any point outside the 50 states of the United States and the  
459 District of Columbia, including any interim stops within the  
460 United States so long as the ultimate origin or destination of  
461 the aircraft is outside the United States and the District of  
462 Columbia.

463 (44) The gross proceeds of the sale or sales of the  
464 following:

465 a. Drill pipe, casing, tubing, and other pipe used for  
466 the exploration for or production of oil, gas, sulphur, or  
467 other minerals in offshore federal waters.

468 b. Tangible personal property exclusively used for the  
469 exploration for or production of oil, gas, sulphur, or other  
470 minerals in offshore federal waters.

471 c. Fuel and supplies for use or consumption aboard  
472 boats, ships, aircraft, and towing vessels when used  
473 exclusively in transporting persons or property between a  
474 point in Alabama and a point or points in offshore federal  
475 waters for the exploration for or production of oil, gas,  
476 sulphur, or other minerals in offshore federal waters.



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477           d. Drilling equipment that is used for the exploration  
478 for or production of oil, gas, sulphur, or other minerals,  
479 that is built for exclusive use outside this state and that  
480 is, on completion, removed forthwith from this state.

481           The delivery of items exempted by this subdivision to  
482 the purchaser or lessee in this state does not disqualify the  
483 purchaser or lessee from the exemption if the property is  
484 removed from the state by any means, including by the use of  
485 the purchaser's or lessee's own facilities.

486           The shipment to a place in this state of equipment  
487 exempted by this subdivision for further assembly or  
488 fabrication does not disqualify the purchaser or lessee from  
489 the exemption if on completion of the further assembly or  
490 fabrication the equipment is removed forthwith from this  
491 state. This subdivision applies to a sale that may occur when  
492 the equipment exempted is further assembled or fabricated if  
493 on completion the equipment is removed forthwith from this  
494 state.

495           (45) The gross receipts derived from all bingo games  
496 and operations that are conducted in compliance with validly  
497 enacted legislation authorizing the conduct of such games and  
498 operations, and which comply with the distribution  
499 requirements of the applicable local laws; provided that the  
500 exemption from sales taxation granted by this subdivision  
501 shall apply only to gross receipts taxable under subdivision  
502 (2) of Section 40-23-2. It is further provided that this  
503 exemption shall not apply to any gross receipts from the sale  
504 of tangible personal property, such as concessions, novelties,



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505 food, beverages, etc. The exemption provided for in this  
506 section shall be limited to those games and operations by  
507 organizations that have qualified for exemption under the  
508 provisions of 26 U.S.C. § 501 (c) (3), (4), (7), (8), (10), or  
509 (19), or which are defined in 26 U.S.C. § 501(d).

510 (46) The gross receipts derived from the sale or sales  
511 of fruit or other agricultural products by the person or  
512 company, as defined in Section 40-23-1, that planted or  
513 cultivated and harvested the fruit or agricultural product,  
514 when the land is owned or leased by the seller.

515 (47) The gross receipts derived from the sale or sales  
516 of all domestically mined or produced coal, coke, and coke  
517 by-products used in cogeneration plants.

518 (48) The gross receipts from the sale or sales of  
519 metal, other than gold or silver, when such metal is purchased  
520 for the purpose of transferring such metal to an investment  
521 trust in exchange for shares or other units, each of which are  
522 both publicly traded and represent fractional undivided  
523 beneficial interests in the trust's net assets, including  
524 metal stored in warehouses located in this state, as well as  
525 the gross proceeds from the sale or other transfer of such  
526 metal to or from the investment trust in exchange for shares  
527 or other units that are publicly traded and represent  
528 fractional undivided beneficial interests in the trust's net  
529 assets but not to the extent that metal is transferred to or  
530 from the investment trust in exchange for consideration other  
531 than such publicly traded shares or other units. For purposes  
532 of this subdivision, the term "metals" includes, but is not



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533 limited to, copper, aluminum, nickel, zinc, tin, lead, and  
534 other similar metals typically used in commercial and  
535 industrial applications.

536 (49)a. For the period commencing on October 1, 2012,  
537 and ending May 30, 2027, the gross receipts from the sale of  
538 parts, components, and systems that become a part of a fixed  
539 or rotary wing military aircraft or certified transport  
540 category aircraft that undergoes conversion, reconfiguration,  
541 or general maintenance so long as the address of the aircraft  
542 for FAA registration is not in the state; provided, however,  
543 that this exemption shall not apply to a local sales tax  
544 unless previously exempted by local law or approved by  
545 resolution of the local governing body.

546 b. The exemption authorized by this subdivision shall  
547 not be available for sales of parts, components, or systems  
548 for new contracts or projects entered into after May 30, 2027,  
549 unless the Legislature enacts legislation to continue or  
550 reinstate the exemption for new contracts or projects after  
551 that date. No action or inaction on the part of the  
552 Legislature shall reduce, suspend, or disqualify sales of  
553 parts, components, or systems from the exemption in any past  
554 year or future years until May 30, 2030, with respect to  
555 contracts or projects entered into on or before May 30, 2027;  
556 it being the sole intent that failure of the Legislature to  
557 enact legislation to reinstate the exemption for new contracts  
558 or projects after May 30, 2027, shall affect only the  
559 availability of the exemption to new contracts and projects  
560 after that date and shall not affect availability of the



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561 exemption for contracts or projects entered into on or before  
562 May 30, 2027, for which the exemption shall be available until  
563 May 30, 2030.

564 (50) The gross proceeds from the sale or sales within  
565 school buildings of lunches to pupils of kindergarten,  
566 grammar, and high schools, either public or private, that are  
567 not sold for profit.

568 (51) The gross proceeds of services provided by  
569 photographers, including, but not limited to, sitting fees and  
570 consultation fees, even when provided as part of a transaction  
571 ultimately involving the sale of one or more photographs, so  
572 long as the exempt services are separately stated to the  
573 customer on a bill of sale, invoice, or like memorialization  
574 of the transaction. For transactions occurring before October  
575 1, 2017, neither the Department of Revenue nor local tax  
576 officials may seek payment for sales tax not collected. With  
577 regard to such transactions in which sales tax was collected  
578 and remitted on services provided by photographers, neither  
579 the taxpayer nor the entity remitting sales tax shall have the  
580 right to seek refund of such tax.

581 (52) a. For the period commencing on June 1, 2018, and  
582 ending 10 years thereafter, unless extended by an act of the  
583 Legislature, the gross proceeds of sales of bullion or money,  
584 as defined in Section 40-1-1(7).

585 b. For purposes of this subdivision, the following  
586 words or terms shall be defined and interpreted as follows:

587 1. Bullion. Gold, silver, platinum, palladium, or a  
588 combination of each precious metal, that has gone through a



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589 refining process and for which the item's value depends on its  
590 mass and purity, and not on its form, numismatic value, or  
591 other value. The term includes bullion in the form of bars,  
592 ingots, rounds, or coins that meet the requirements set forth  
593 above. Qualifying bullion may contain other metals or  
594 substances, provided that the other substances are minimal in  
595 value compared with the value of the gold, silver, platinum,  
596 or palladium and the other substances do not add value to the  
597 item. For purposes of this subparagraph, "gold, silver,  
598 platinum, or palladium" does not include jewelry or works of  
599 art.

600           2. Mass. An item's mass is its weight in precious  
601 metal.

602           3. Numismatic Value. An external value above and beyond  
603 the base value of the underlying precious metal, due to the  
604 item's rarity, condition, age, or other external factor.

605           4. Purity. An item's purity is the proportion of  
606 precious metal contained within.

607           c. In order for bullion to qualify for the sales tax  
608 exemption, gold, silver, platinum, and palladium items must  
609 meet all of the following requirements:

610               1. Must be refined.

611               2. Must contain at least 80 percent gold, silver,  
612 platinum, or palladium or some combination of these metals.

613               3. The sales price of the item must fluctuate with and  
614 depend on the market price of the underlying precious metal,  
615 and not on the item's rarity, condition, age, or other  
616 external factor.



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617 (53) a. The gross proceeds of the initial retail sales  
618 of adaptive equipment that is permanently affixed to a motor  
619 vehicle.

620 b. For the purposes of this subdivision, the following  
621 words or terms shall be defined and interpreted as follows:

622 1. Adaptive Equipment. Equipment not generally used by  
623 persons with normal mobility that is appropriate for use in a  
624 motor vehicle and that is not normally provided by a motor  
625 vehicle manufacturer.

626 2. Motor Vehicle. A vehicle as defined in Section  
627 40-12-240.

628 3. Motor Vehicle Manufacturer. Every person engaged in  
629 the business of constructing or assembling vehicles or  
630 manufactured homes.

631 c. In order to qualify for the exemption provided for  
632 herein, the adaptive equipment must be separately stated to  
633 the customer on a bill of sale, invoice, or like  
634 memorialization of the transaction.

635 (54) For the period commencing on October 1, 2022, and  
636 ending September 30, 2027, unless extended by an act of the  
637 Legislature, the gross receipts derived from the sale of  
638 producer value added agricultural products when the sale is  
639 made by the producer or by the producer's immediate family, or  
640 for the producer by the producer's employees.

641 (55) The gross proceeds of the sale or sales of hearing  
642 instruments as defined in Section 34-14-1, including hearing  
643 aids.

644 (b) Any violation of any provision of this section





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645 shall be punishable in a court of competent jurisdiction by a  
646 fine of not less than five hundred dollars (\$500) and no more  
647 than two thousand dollars (\$2,000) and imprisonment of not  
648 less than six months nor more than one year in the county  
649 jail."

650 Section 2. This act shall become effective on September  
651 1, 2024.