

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

810-6-2-.88.04. Exemption for Certain Sales by Elementary and Secondary Schools, School Sponsored Clubs and Organizations, and School Affiliated Groups.

(1) The term "elementary or secondary school" as used in Act No. 96-653 and in this regulation shall mean both public and private schools where the curriculum consists of one or more of grade levels K through 12. The term "elementary or secondary school" shall not include nurseries and day care centers nor shall it include private schools at which the courses of study are limited to specialized subjects such as dance, horseback riding, music, cooking, or sewing.

(2) Provided the net proceeds from the sales are used solely for the benefit of the elementary or secondary school, sales and use taxes do not apply to sales by the following:

(a) elementary or secondary schools,

(b) nonprofit elementary or secondary school-sponsored clubs and organizations,
or

(c) nonprofit elementary or secondary school affiliated groups, such as parent-teacher organizations and booster clubs whose membership may be composed of individuals other than students.

(3) The exemption outlined in paragraph (2) above also applies to sales resulting from agreements or contracts entered into with resident or nonresident organizations to participate in fund-raising campaigns for a percentage of the gross receipts where students act as agents or salespersons for the organizations by selling or taking orders for the sale of tangible personal property. Neither the school, club, organization, or group enumerated in paragraph (2) nor the resident or nonresident organization with whom the school, club, organization, or group contracts is required to collect or remit sales or use tax on the tangible personal property sold for fund-raising purposes. (Adopted through APA effective November 5, 1996)