

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-6-1-130

Rule Title: Printers

New; Amend; Repeal; Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety?

No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare?

Yes

Is there another, less restrictive method of regulation available that could adequately protect the public?

No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree?

No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule?

N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public?

Yes

Does the proposed rule have any economic impact?

No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer 

Date 11/18/15

APA-6
10/96

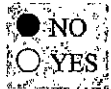
**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-6-1-.130

Rule Title: Printers

 New X Amend Repeal Adopt by Reference



This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:

2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

3. EFFECT OF THIS RULE ON COMPETITION:

4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND

**BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE
BENEFITS AND BURDEN COMPARISON:**

9. **THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC
HEALTH:**

10. **DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH
IF THE RULE IS NOT IMPLEMENTED:**

11. **OTHER COMMENTS:**

APA-2
11/96

ALABAMA DEPARTMENT OF REVENUE
Sales & Use Tax Division

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-6-1-.130 Printers

INTENDED ACTION: Amend rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to correct a code citation that does not pertain to sales tax.

RULE NO. & TITLE

810-6-2-.90.02 Simplified Sellers Use Tax Remittance Program

INTENDED ACTION: Amend rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to provide guidance for out-of-state sellers selling products into Alabama who have no physical presence or other requirement to collect Alabama sales or use tax.

RULE NO. & TITLE

810-6-5-.29 Oxygen and Durable Medical Equipment Dispensed to Medicare
Recipients by Participating Providers

INTENDED ACTION: Amend rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to comply with the provisions of Act 2014-453.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **2:00 p.m. on Wednesday, January 13, 2016, Room 1203, First Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at <http://revenue.alabama.gov/analysis/upcoming-rule-hearings.cfm>

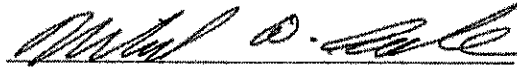
All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Wednesday, January 13, 2016

CONTACT PERSON AT AGENCY:

Jennifer Deese
Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380



Michael D. Gamble, Secretary
Alabama Department of Revenue

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810-6-1-.130. Printers.

(1) Gross receipts accruing from the retail sales of printed matter of all kinds are subject to the sales tax. (Also see rule 810-6-1-.137 entitled Raw Materials & Supplies Purchased by Manufacturers and Compounders.

(2) Sales to consumers of printed matter such as catalogs, books, letterheads, invoice forms, envelopes, folders, advertising circulars, and the like by printers or others engaged in selling printed matter are subject to the sales tax. A printer may not deduct from the selling price of such tangible personal property charges for the labor or service of performing the printing even though such labor or service charges may be billed to the customer separately from the charge for the stock. Such labor or service is embodied in and becomes a part of the tangible personal property sold.

(3) Where printers purchase from the United States Post Office stamped cards and envelopes and print thereon various legends for customers, the printers must pay sales tax measured by their gross proceeds of sales of the printed cards or envelopes to their customers. Such cards and envelopes constitute tangible personal property and, if they are not resold by such customers, the sales by the printers are at retail. Such printers will not be required to pay sales tax on the amount of the postage where stated separately in billing to customers.

(4) No tax arises from the service of printing or from the service of typesetting performed by the printer for a customer or for another printer where there is no transfer of ownership of tangible personal property from the printer to his customer. (Section 40-2223-1(a)(6))

(5) Sales of materials to printers are at wholesale, tax free, when such materials become a component of the printed matter produced for sale. The machines used in the printing come within the machine levy and are taxed at the one and one-half percent rate. The supplies, materials, and equipment not becoming a component of the product sold or not constituting a machine used in manufacturing are subject to the sales or use tax, whichever may apply, at the general rate of four percent.

(6) Newspaper advertising supplements or circulars inserted in newspapers usually fall in the following categories:

(a) A buyer enters into a contract with a printer for the printing of advertising circulars, catalogs, etc., and directs the printer to deliver the printed material to a newspaper or several newspapers, or directs that they be delivered to another location, sometimes the buyer's place of business. The buyer then enters into a second contract with the newspaper for distribution of the inserts. That portion of advertising supplements or inserts retained by the buyer for distribution to buyer's customers, that do not become part of newspapers manufactured for sale, will be subject to sales tax. However, those advertising supplements or inserts that are delivered to the purchasers or newspaper

companies to be inserted into and become part of the newspaper are purchased at wholesale, tax free. Ralph P. Eagerton, Jr. v. Dixie Color Printing Corporation.

(b) Newspaper advertising supplements and inserts which are inserted into newspapers and sold as part and parcel of the newspaper, the retail sales of which are subject to the sales tax, no sales tax arises where such advertising supplements or inserts are

(1) printed by the publishers of the newspaper and inserted into and sold as part and parcel of the newspaper published by such publishers, or

(2) printed by another printer for the newspaper publisher and paid for by the newspaper publisher for insertion into and sold as part and parcel of the newspaper.

Author: **Ginger Buchanan Alabama Dept. of Revenue; Chief, Sales & Use Tax Division**

Authority: Sections **40-2A-7(a)(5), 40-23-2, 40-23-1 and 40-40-23-31**, Code of Alabama 1975

History: Adopted March 9, 1961.
Amended November 1, 1963.
Amended August 16, 1974.
Amended June 12, 1978.
Readopted October 31, 1982 under A.P.A.
Amended December 5, 1984, effective January 10, 1985.