

1 HB279  
2 148702-2  
3 By Representatives McCutcheon, Johnson (W), Rich, Sanderford,  
4 Long, Patterson, Williams (D), Burdine, Greer, Hall, Ball,  
5 Hammon, Buttram, Robinson (J), Williams (P), Morrow, Greeson,  
6 Henry, Black, Johnson (K), Collins and Carns  
7 RFD: Transportation, Utilities and Infrastructure  
8 First Read: 14-FEB-13

9

1 ENGROSSED

2  
3  
4 A BILL  
5 TO BE ENTITLED  
6 AN ACT

7  
8 Relating to aviation jet fuel; to amend Section  
9 40-17-239, Code of Alabama 1975, to provide for refunds of  
10 excise tax paid on purchases of jet fuel made by air carriers  
11 conducting scheduled all-cargo operations engaged in  
12 international flights; to amend Section 40-23-4, Code of  
13 Alabama 1975, to exempt from sales tax purchases of aviation  
14 jet fuel made by air carriers conducting scheduled all-cargo  
15 operations engaged in international flights; and to amend  
16 Section 40-23-62, Code of Alabama 1975, to exempt from use tax  
17 the use, storage or consumption of aviation jet fuel made by  
18 air carriers conducting scheduled all-cargo operations engaged  
19 in international flights.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. Sections 40-17-329, ~~49-23-4~~ 40-23-4, and  
22 40-23-62, Code of Alabama 1975, are amended to read as  
23 follows:

24 "§40-17-329.

25 (a) Unless otherwise provided for in this  
26 subsection, sales of motor fuel to the following are exempt

1 from the tax levied by subsection (a) of Section 40-17-325 and  
2 shall not be paid at the rack:

3 (1) All motor fuel exported from this state for  
4 which proof of export is available in the form of a terminal  
5 issued destination state shipping document that is a. exported  
6 by a supplier who is licensed in the destination state or b.  
7 is sold by a supplier to a licensed exporter for immediate  
8 export to a state for which the applicable destination state  
9 motor fuel excise tax has been collected by the supplier who  
10 is licensed to remit the tax to the destination state. This  
11 exemption shall not apply to any motor fuel which is  
12 transported and delivered outside this state in the motor fuel  
13 supply tank of a highway vehicle.

14 (2) All sales of dyed diesel fuel.

15 (3) Gasoline blendstocks when sold to a. a licensed  
16 supplier or b. a person who will not be using the blendstocks  
17 in the manufacture of gasoline or as a motor fuel, as  
18 evidenced by the exemption certificate prescribed under  
19 regulations promulgated under Section 4081, Title 26 of the  
20 United States Code.

21 (4) All motor fuel sold by a licensed supplier or  
22 licensed permissive supplier to an exempt agency electing to  
23 be licensed under Section 40-17-332.

24 (5) Motor fuel that is delivered by a licensed  
25 supplier from one terminal to another terminal when ownership  
26 in the motor fuel has not changed, or by a licensed supplier

1 from a terminal to a refinery operated by the licensed  
2 supplier.

3 ~~(6) Aviation jet fuel sold by a licensed supplier to~~  
4 ~~an air carrier that purchases jet fuel in a Foreign Trade Zone~~  
5 ~~located within this state and uses the jet fuel to propel~~  
6 ~~aircraft powered by jet or turbine engines operated in~~  
7 ~~scheduled all-cargo operations being conducted on~~  
8 ~~international flights or in international commerce. For the~~  
9 ~~purposes of this subdivision, the following words or terms~~  
10 ~~shall be defined and interpreted as follows:~~

11 ~~a. Air Carrier. Any person, firm, corporation, or~~  
12 ~~entity undertaking by any means, directly or indirectly, to~~  
13 ~~provide air transportation.~~

14 ~~b. All-Cargo Operations. Any flight conducted by an~~  
15 ~~air carrier for compensation or hire other than a passenger~~  
16 ~~carrying flight, except passengers as specified in Section~~  
17 ~~121.583 (a) or 135.85 of the Federal Aviation Regulations, as~~  
18 ~~amended.~~

19 ~~c. International Commerce. Any air carrier engaged~~  
20 ~~in all-cargo operations transporting goods for compensation or~~  
21 ~~hire on international flights.~~

22 ~~d. International Flights. Any air carrier conducting~~  
23 ~~scheduled all-cargo operations between any point within the 50~~  
24 ~~states of the United States and the District of Columbia and~~  
25 ~~any point outside the 50 states of the United States and the~~  
26 ~~District of Columbia, including any interim stops within the~~  
27 ~~United States so long as the ultimate origin or destination of~~

1 ~~the aircraft is outside the United States and the District of~~  
2 ~~Columbia.~~

3 (b) Having first paid the tax owed under this  
4 article, a licensed distributor shall have the right to apply  
5 to the department on a monthly basis for a refund of the taxes  
6 paid on the gallons sold by that licensed distributor to the  
7 exempt agencies listed under subsection (e), provided the  
8 exempt agency has elected to obtain a license under Section  
9 40-17-332.

10 (c) Having first paid the tax owed under this  
11 article, an exporter shall have the right to apply to the  
12 department on a monthly basis for a refund of the taxes paid  
13 to this state on the gallons of motor fuel that are ultimately  
14 exported by the exporter. The department will require the  
15 exporter to provide proof of payment of the applicable  
16 destination state excise taxes before issuing a refund.

17 (d) Having first paid the tax owed under this  
18 article, a licensed aviation fuel purchaser shall have the  
19 right to apply to the department on a monthly basis for a  
20 refund of the taxes paid to this state on the gallons of jet  
21 fuel sold to ~~an~~ a certified certificated or licensed air  
22 carrier that purchases jet fuel ~~in a foreign trade zone~~  
23 ~~located~~ within this state and uses the jet fuel to propel  
24 aircraft powered by jet or turbine engines operated in  
25 scheduled all-cargo operations being conducted on  
26 international flights or in international commerce. For the

1 purposes of this subsection, the following words or terms  
2 shall be defined and interpreted as follows:

3 (1) AIR CARRIER. Any person, firm, corporation, or  
4 entity undertaking by any means, directly or indirectly, to  
5 provide air transportation.

6 (2) ALL-CARGO OPERATIONS. Any flight conducted by an  
7 air carrier for compensation or hire other than a passenger  
8 carrying flight, except passengers as specified in Section  
9 121.583 (a) or 135.85 of the Federal Aviation Regulations, as  
10 amended.

11 (3) INTERNATIONAL COMMERCE. Any air carrier engaged  
12 in all-cargo operations transporting goods for compensation or  
13 hire on international flights.

14 (4) INTERNATIONAL FLIGHTS. Any air carrier  
15 conducting scheduled all-cargo operations between any point  
16 within the 50 states of the United States and the District of  
17 Columbia and any point outside the 50 states of the United  
18 States and the District of Columbia, including any interim  
19 stops within the United States so long as the ultimate origin  
20 or destination of the aircraft is outside the United States  
21 and the District of Columbia.

22 (e) Having first paid the tax to its vendor, the  
23 following entities shall have the right to apply to the  
24 department for a refund on a quarterly basis for any purchases  
25 of motor fuel:

26 (1) The United States government or any agency  
27 thereof.

1 (2) Any county governing body of this state.

2 (3) Any incorporated municipal governing body of  
3 this state.

4 (4) City and county boards of education of this  
5 state.

6 (5) The Alabama Institute for Deaf and Blind, the  
7 Department of Youth Services school district, and private and  
8 church school systems as defined in Section 16-28-1, and which  
9 offer essentially the same curriculum as offered in grades  
10 K-12 in the public schools of this state.

11 (f) If the sale of taxable motor fuel to exempt  
12 entities listed in subsection (e) occurs at a fixed retail  
13 pump available to the general public and is charged to a  
14 credit card issued to the exempt entity, the issuer of the  
15 card, having billed the exempt entity without the tax, may  
16 apply on a quarterly basis for a refund of the motor fuel  
17 excise taxes by submitting the application and supporting  
18 documentation as prescribed by the department.

19 (g) Having first paid the tax, a licensed air  
20 carrier with a hub operation within this state shall have the  
21 right to apply to the department for a refund on a quarterly  
22 basis for any purchases of jet fuel used to propel aircraft.  
23 For the purposes of this subsection, the words "hub operation  
24 within this state" shall be construed to have all of the  
25 following criteria:

26 (1) There originates from the location 15 or more  
27 flight departures and five or more different first-stop

1 destinations five days per week for six or more months during  
2 the calendar year; and

3 (2) Passengers and/or property are regularly  
4 exchanged at the location between flights of the same or a  
5 different certificated or licensed air carrier.

6 (h) End users who first pay the tax levied by  
7 subdivision (2) of subsection (a) of Section 40-17-325 on all  
8 gallons of diesel fuel used in designated off-road vehicles,  
9 other off-road equipment, or for other off-road use may apply  
10 to the department for a refund on a quarterly basis.

11 (i) End users who first pay the tax levied by  
12 subdivision (1) of subsection (a) of Section 40-17-325 on  
13 gallons of gasoline blendstocks not used in the manufacture of  
14 gasoline or as a motor fuel may apply to the department for a  
15 refund on a quarterly basis.

16 (j) Tax paid on motor fuel that (1) is lost or  
17 destroyed as a direct result of a sudden and unexpected  
18 casualty, or (2) becomes unsalable or unusable as highway fuel  
19 due to such things as the contamination by dye or mixture of  
20 gasoline and diesel shall be refundable.

21 (k) Tax paid on transmix not used as a motor fuel or  
22 that is delivered to a refinery for further processing shall  
23 be refundable, with the person so using the transmix being  
24 eligible to file for the refund on a quarterly basis.

25 (l) Tax paid on motor fuel within the bulk transfer  
26 system may be refunded upon sufficient proof that (1) a second  
27 tax had been paid pursuant to Section 40-17-325 or (2) the



1 fuel was exported to another state or country. The party  
2 paying the second tax or exporting the fuel may file for a  
3 refund on a monthly basis.

4 "§40-23-4.

5 (a) There are exempted from the provisions of this  
6 division and from the computation of the amount of the tax  
7 levied, assessed, or payable under this division the  
8 following:

9 (1) The gross proceeds of the sales of lubricating  
10 oil and gasoline as defined in Sections 40-17-30 and 40-17-170  
11 and the gross proceeds from those sales of lubricating oil  
12 destined for out-of-state use which are transacted in a manner  
13 whereby an out-of-state purchaser takes delivery of such oil  
14 at a distributor's plant within this state and transports it  
15 out-of-state, which are otherwise taxed.

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

20 (3) The gross proceeds of the sale, or sales, of  
21 seeds for planting purposes and baby chicks and poults.  
22 Nothing herein shall be construed to exempt or exclude from  
23 the computation of the tax levied, assessed, or payable, the  
24 gross proceeds of the sale or sales of plants, seedlings,  
25 nursery stock, or floral products.

26 (4) The gross proceeds of sales of insecticides and  
27 fungicides when used for agricultural purposes or when used by

1 persons properly permitted by the Department of Agriculture  
2 and Industries or any applicable local or state governmental  
3 authority for structural pest control work and feed for  
4 livestock and poultry, but not including prepared food for  
5 dogs and cats.

6 (5) The gross proceeds of sales of all livestock by  
7 whomsoever sold, and also the gross proceeds of poultry and  
8 other products of the farm, dairy, grove, or garden, when in  
9 the original state of production or condition of preparation  
10 for sale, when such sale or sales are made by the producer or  
11 members of his immediate family or for him by those employed  
12 by him to assist in the production thereof. Nothing herein  
13 shall be construed to exempt or exclude from the measure or  
14 computation of the tax levied, assessed, or payable hereunder,  
15 the gross proceeds of sales of poultry or poultry products  
16 when not products of the farm.

17 (6) Cottonseed meal exchanged for cottonseed at or  
18 by cotton gins.

19 (7) The gross receipts from the business on which,  
20 or for engaging in which, a license or privilege tax is levied  
21 by or under the provisions of Sections 40-21-50, 40-21-53, and  
22 40-21-56 through 40-21-60; provided, that nothing contained in  
23 this subdivision shall be construed to exempt or relieve the  
24 person or persons operating the business enumerated in said  
25 sections from the payments of the tax levied by this division  
26 upon or measured by the gross proceeds of sales of any  
27 tangible personal property, except gas and water, the gross

1 receipts from the sale of which are the measure of the tax  
2 levied by said Section 40-21-50, merchandise or other tangible  
3 commodities sold at retail by said persons, unless the gross  
4 proceeds of sale thereof are otherwise specifically exempted  
5 by the provisions of this division.

6 (8) The gross proceeds of sales or gross receipts of  
7 or by any person, firm, or corporation, from the sale of  
8 transportation, gas, water, or electricity, of the kinds and  
9 natures, the rates and charges for which, when sold by public  
10 utilities, are customarily fixed and determined by the Public  
11 Service Commission of Alabama or like regulatory bodies.

12 (9) The gross proceeds of the sale, or sales of wood  
13 residue, coal, or coke to manufacturers, electric power  
14 companies, and transportation companies for use or consumption  
15 in the production of by-products, or the generation of heat or  
16 power used in manufacturing tangible personal property for  
17 sale, for the generation of electric power or energy for use  
18 in manufacturing tangible personal property for sale or for  
19 resale, or for the generation of motive power for  
20 transportation.

21 (10) The gross proceeds from the sale or sales of  
22 fuel and supplies for use or consumption aboard ships,  
23 vessels, towing vessels, or barges, or drilling ships, rigs or  
24 barges, or seismic or geophysical vessels, or other watercraft  
25 (herein for purposes of this exemption being referred to as  
26 "vessels") engaged in foreign or international commerce or in  
27 interstate commerce; provided, that nothing in this division

1 shall be construed to exempt or exclude from the measure of  
2 the tax herein levied the gross proceeds of sale or sales of  
3 material and supplies to any person for use in fulfilling a  
4 contract for the painting, repair, or reconditioning of  
5 vessels, barges, ships, other watercraft, and commercial  
6 fishing vessels of over five tons load displacement as  
7 registered with the U.S. Coast Guard and licensed by the State  
8 of Alabama Department of Conservation and Natural Resources.

9 For purposes of this subdivision, it shall be  
10 presumed that vessels engaged in the transportation of cargo  
11 between ports in the State of Alabama and ports in foreign  
12 countries or possessions or territories of the United States  
13 or between ports in the State of Alabama and ports in other  
14 states are engaged in foreign or international commerce or  
15 interstate commerce, as the case may be. For the purposes of  
16 this subdivision, the engaging in foreign or international  
17 commerce or interstate commerce shall not require that the  
18 vessel involved deliver cargo to or receive cargo from a port  
19 in the State of Alabama. For purposes of this subdivision,  
20 vessels carrying passengers for hire, and no cargo, between  
21 ports in the State of Alabama and ports in foreign countries  
22 or possessions or territories of the United States or between  
23 ports in the State of Alabama and ports in other states shall  
24 be engaged in foreign or international commerce or interstate  
25 commerce, as the case may be, if, and only if, both of the  
26 following conditions are met: (i) The vessel in question is a  
27 vessel of at least 100 gross tons; and (ii) the vessel in

1 question has an unexpired certificate of inspection issued by  
2 the United States Coast Guard or by the proper authority of a  
3 foreign country for a foreign vessel, which certificate is  
4 recognized as acceptable under the laws of the United States.  
5 Vessels which are engaged in foreign or international commerce  
6 or interstate commerce shall be deemed for the purposes of  
7 this subdivision to remain in such commerce while awaiting or  
8 under repair in a port of the State of Alabama if such vessel  
9 returns after such repairs are completed to engaging in  
10 foreign or international commerce or interstate commerce. For  
11 purposes of this subdivision, seismic or geophysical vessels  
12 which are engaged either in seismic or geophysical tests or  
13 evaluations exclusively in offshore federal waters or in  
14 traveling to or from conducting such tests or evaluations  
15 shall be deemed to be engaged in international or foreign  
16 commerce. For purposes of this subdivision, proof that fuel  
17 and supplies purchased are for use or consumption aboard  
18 vessels engaged in foreign or international commerce or in  
19 interstate commerce may be accomplished by the merchant or  
20 seller securing the duly signed certificate of the vessel  
21 owner, operator, or captain or their respective agent on a  
22 form prescribed by the department that the fuel and supplies  
23 purchased are for use or consumption aboard vessels engaged in  
24 foreign or international commerce or in interstate commerce.  
25 Any person filing a false certificate shall be guilty of a  
26 misdemeanor and upon conviction shall be fined not less than  
27 \$25 nor more than \$500 for each offense. Each false

1 certificate filed shall constitute a separate offense. Any  
2 person filing a false certificate shall be liable to the  
3 department for all taxes imposed by this division upon the  
4 merchant or seller, together with any interest or penalties  
5 thereon, by reason of the sale or sales of fuel and supplies  
6 applicable to such false certificate. If a merchant or seller  
7 of fuel and supplies secures the certificate herein mentioned,  
8 properly completed, such merchant or seller shall not be  
9 liable for the taxes imposed by this division, if such  
10 merchant or seller had no knowledge that such certificate was  
11 false when it was filed with such merchant or seller.

12 (11) The gross proceeds of sales of tangible  
13 personal property to the State of Alabama, to the counties  
14 within the state and to incorporated municipalities of the  
15 State of Alabama.

16 (12) The gross proceeds of the sale or sales of  
17 railroad cars, vessels, barges, and commercial fishing vessels  
18 of over five tons load displacement as registered with the  
19 U.S. Coast Guard and licensed by the State of Alabama  
20 Department of Conservation and Natural Resources, when sold by  
21 the manufacturers or builders thereof.

22 (13) The gross proceeds of the sale or sales of  
23 materials, equipment, and machinery which, at any time, enter  
24 into and become a component part of ships, vessels, towing  
25 vessels or barges, or drilling ships, rigs or barges, or  
26 seismic or geophysical vessels, other watercraft and  
27 commercial fishing vessels of over five tons load displacement

1 as registered with the U.S. Coast Guard and licensed by the  
2 State of Alabama Department of Conservation and Natural  
3 Resources. Additionally, the gross proceeds from the sale or  
4 sales of lifeboats, personal flotation devices, ring life  
5 buoys, survival craft equipment, distress signals, EPIRB's,  
6 fire extinguishers, injury placards, waste management plans  
7 and logs, marine sanitation devices, navigation rulebooks,  
8 navigation lights, sound signals, navigation day shapes, oil  
9 placard cards, garbage placards, FCC SSL, stability  
10 instructions, first aid equipment, compasses, anchor and radar  
11 reflectors, general alarm systems, bilge pumps, piping, and  
12 discharge and electronic position fixing devices which are  
13 used on the aforementioned watercraft.

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

17 (15) The gross proceeds of the sale or sales of  
18 tangible personal property to county and city school boards,  
19 independent school boards, and all educational institutions  
20 and agencies of the State of Alabama, the counties within the  
21 state, or any incorporated municipalities of the State of  
22 Alabama.

23 (16) The gross proceeds from the sale of all devices  
24 or facilities, and all identifiable components thereof, or  
25 materials for use therein, acquired primarily for the control,  
26 reduction, or elimination of air or water pollution and the  
27 gross proceeds from the sale of all identifiable components of

1 or materials used or intended for use in structures built  
2 primarily for the control, reduction, or elimination of air  
3 and water pollution.

4 (17) The gross proceeds of sales of tangible  
5 personal property or the gross receipts of any business which  
6 the state is prohibited from taxing under the Constitution or  
7 laws of the United States or under the Constitution of this  
8 state.

9 (18) When dealers or distributors use parts taken  
10 from stocks owned by them in making repairs without charge for  
11 such parts to the owner of the property repaired pursuant to  
12 warranty agreements entered into by manufacturers, such use  
13 shall not constitute taxable sales to the manufacturers,  
14 distributors, or to the dealers, under this division or under  
15 any county sales tax law.

16 (19) The gross proceeds received from the sale or  
17 furnishing of food, including potato chips, candy, fruit and  
18 similar items, soft drinks, tobacco products, and stationery  
19 and other similar or related articles by hospital canteens  
20 operated by Alabama state hospitals at Bryce Hospital and  
21 Partlow State School for Mental Deficients at Tuscaloosa,  
22 Alabama, and Searcy Hospital at Mt. Vernon, Alabama, for the  
23 benefit of the patients therein.

24 (20) The gross proceeds of the sale, or sales, of  
25 wrapping paper and other wrapping materials when used in  
26 preparing poultry or poultry products for delivery, shipment,  
27 or sale by the producer, processor, packer, or seller of such



1 poultry or poultry products, including pallets used in  
2 shipping poultry and egg products, paper or other materials  
3 used for lining boxes or other containers in which poultry or  
4 poultry products are packed together with any other materials  
5 placed in such containers for the delivery, shipment, or sale  
6 of poultry or poultry products.

7 (21) The gross proceeds of the sales of all  
8 antibiotics, hormones and hormone preparations, drugs,  
9 medicines or medications, vitamins, minerals or other  
10 nutrients, and all other feed ingredients including  
11 concentrates, supplements, and other feed ingredients when  
12 such substances are used as ingredients in mixing and  
13 preparing feed for fish raised to be sold on a commercial  
14 basis, livestock, and poultry. Such exemption herein granted  
15 shall be in addition to exemptions now provided by law for  
16 feed for fish raised to be sold on a commercial basis,  
17 livestock, and poultry, but not including prepared foods for  
18 dogs or cats.

19 (22) The gross proceeds of the sale, or sales, of  
20 seedlings, plants, shoots, and slips which are to be used for  
21 planting vegetable gardens or truck farms and other  
22 agricultural purposes. Nothing herein shall be construed to  
23 exempt, or exclude from the computation of the tax levied,  
24 assessed, or payable, the gross proceeds of the sale, or the  
25 use of plants, seedlings, shoots, slips, nursery stock, and  
26 floral products, except as hereinabove exempted.

1           (23) The gross proceeds of the sale, or sales, of  
2     fabricated steel tube sections, when produced and fabricated  
3     in this state by any person, firm, or corporation for any  
4     vehicular tunnel for highway vehicular traffic, when sold by  
5     the manufacturer or fabricator thereof, and also the gross  
6     proceeds of the sale, or sales, of steel which enters into and  
7     becomes a component part of such fabricated steel tube  
8     sections of said tunnel.

9           (24) The gross proceeds from sales of admissions to  
10    any theatrical production, symphonic or other orchestral  
11    concert, ballet, or opera production when such concert or  
12    production is presented by any society, association, guild, or  
13    workshop group, organized within this state, whose members or  
14    some of whose members regularly and actively participate in  
15    such concerts or productions for the purposes of providing a  
16    creative outlet for the cultural and educational interests of  
17    such members, and of promoting such interests for the  
18    betterment of the community by presenting such productions to  
19    the general public for an admission charge. The employment of  
20    a paid director or conductor to assist in any such  
21    presentation described in this subdivision shall not be  
22    construed to prohibit the exemptions herein provided.

23           (25) The gross proceeds of sales of herbicides for  
24    agricultural uses by whomsoever sold. The term herbicides, as  
25    used in this subdivision, means any substance or mixture of  
26    substances intended to prevent, destroy, repel, or retard the  
27    growth of weeds or plants. It shall include preemergence

1 herbicides, postemergence herbicides, lay-by herbicides,  
2 pasture herbicides, defoliant herbicides, and desiccant  
3 herbicides.

4 (26) The Alabama Chapter of the Cystic Fibrosis  
5 Research Foundation and the Jefferson Tuberculosis Sanatorium  
6 and any of their departments or agencies, heretofore or  
7 hereafter organized and existing in good faith in the State of  
8 Alabama for purposes other than for pecuniary gain and not for  
9 individual profit, shall be exempted from the computation of  
10 the tax on the gross proceeds of all sales levied, assessed,  
11 or payable.

12 (27) The gross proceeds from the sale or sales of  
13 fuel for use or consumption aboard commercial fishing vessels  
14 are hereby exempt from the computation of all sales taxes  
15 levied, assessed, or payable under the provisions of this  
16 division or levied under any county or municipal sales tax  
17 law.

18 The words commercial fishing vessels shall mean  
19 vessels whose masters and owners are regularly and exclusively  
20 engaged in fishing as their means of livelihood.

21 (28) The gross proceeds of sales of sawdust, wood  
22 shavings, wood chips, and other like materials sold for use as  
23 chicken litter by poultry producers and poultry processors.

24 (29) The gross proceeds of the sales of all  
25 antibiotics, hormones and hormone preparations, drugs,  
26 medicines, and other medications including serums and  
27 vaccines, vitamins, minerals, or other nutrients for use in

1 the production and growing of fish, livestock, and poultry by  
2 whomsoever sold. Such exemption as herein granted shall be in  
3 addition to the exemption provided by law for feed for fish,  
4 livestock, and poultry, and in addition to the exemptions  
5 provided by law for the above-enumerated substances and  
6 products when mixed and used as ingredients in fish,  
7 livestock, and poultry feed.

8 (30) The gross proceeds of the sale or sales of all  
9 medicines prescribed by physicians for persons who are 65  
10 years of age or older, and when said prescriptions are filled  
11 by licensed pharmacists, shall be exempted under this division  
12 or under any county or municipal sales tax law. The exemption  
13 provided in this section shall not apply to any medicine  
14 purchased in any manner other than as is herein provided.

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

18 a. The name and claim number as shown on a  
19 "Medicare" card issued by the United States Social Security  
20 Administration.

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

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

1           For the purposes of this subdivision, any person  
2           filing a false proof of age shall be guilty of a misdemeanor  
3           and upon conviction thereof shall be punished by a fine of  
4           \$100.

5           (31) There shall be exempted from the tax levied by  
6           this division the gross receipts of sales of grass sod of all  
7           kinds and character when in the original state of production  
8           or condition of preparation for sale, when such sales are made  
9           by the producer or members of his family or for him by those  
10          employed by him to assist in the production thereof; provided,  
11          that nothing herein shall be construed to exempt sales of sod  
12          by a person engaged in the business of selling plants,  
13          seedlings, nursery stock, or floral products.

14          (32) The gross receipts of sales of the following  
15          items or materials which are necessary in the farm-to-market  
16          production of tomatoes when such items or materials are used  
17          by the producer or members of his family or for him by those  
18          employed by him to assist in the production thereof: Twine for  
19          tying tomatoes, tomato stakes, field boxes (wooden boxes used  
20          to take tomatoes from the fields to shed), and tomato boxes  
21          used in shipments to customers.

22          (33) The gross proceeds from the sale of liquefied  
23          petroleum gas or natural gas sold to be used for agricultural  
24          purposes.

25          (34) The gross receipts of sales from state  
26          nurseries of forest tree seedlings.

1           (35) The gross receipts of sales of forest tree seed  
2 by the state.

3           (36) The gross receipts of sales of Lespedeza  
4 bicolor and other species of perennial plant seed and  
5 seedlings sold for wildlife and game food production purposes  
6 by the state.

7           (37) The gross receipts of any aircraft  
8 manufactured, sold, and delivered in this state if said  
9 aircraft are not permanently domiciled in Alabama and are  
10 removed to another state.

11           (38) The gross proceeds from the sale or sales of  
12 all diesel fuel used for off-highway agricultural purposes.

13           (39) The gross proceeds from sales of admissions to  
14 any sporting event which:

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

17           b. Is hosted by a not-for-profit corporation  
18 organized and existing under the laws of the State of Alabama;  
19 and

20           c. Determines a national championship of a national  
21 organization, including but not limited to the Professional  
22 Golfers Association of America, the Tournament Players  
23 Association, the United States Golf Association, the United  
24 States Tennis Association, and the National Collegiate  
25 Athletic Association; and

26           d. Has not been held in the State of Alabama on more  
27 than one prior occasion, provided, however, that for such

1 purpose the Professional Golfers Association Championship, the  
2 United States Open Golf Championship, the United States  
3 Amateur Golf Championship of the United States Golf  
4 Association, and the United States Open Tennis Championship  
5 shall each be treated as a separate event.

6 (40) The gross receipts from the sale of any  
7 aircraft and replacement parts, components, systems, supplies,  
8 and sundries affixed or used on said aircraft and ground  
9 support equipment and vehicles used by or for the aircraft to  
10 or by a certificated or licensed air carrier with a hub  
11 operation within this state, for use in conducting intrastate,  
12 interstate, or foreign commerce for transporting people or  
13 property by air. For the purpose of this subdivision, the  
14 words "hub operation within this state" shall be construed to  
15 have all of the following criteria:

16 a. There originates from the location 15 or more  
17 flight departures and five or more different first-stop  
18 destinations five days per week for six or more months during  
19 the calendar year; and

20 b. Passengers and/or property are regularly  
21 exchanged at the location between flights of the same or a  
22 different certificated or licensed air carrier.

23 (41) The gross receipts from the sale of hot or cold  
24 food and beverage products sold to or by a certificated or  
25 licensed air carrier with a hub operation within this state,  
26 for use in conducting intrastate, interstate, or foreign  
27 commerce for transporting people or property by air. For the

1 purpose of this subdivision, the words "hub operation within  
2 this state" shall be construed to have all of the following  
3 criteria:

4 a. There originates from the location 15 or more  
5 flight departures and five or more different first-stop  
6 destinations five days per week for six or more months during  
7 the calendar year; and

8 b. Passengers and/or property are regularly  
9 exchanged at the location between flights of the same or a  
10 different certificated or licensed air carrier.

11 (42) The gross receipts from the sale of any  
12 aviation jet fuel to a certificated or licensed air carrier  
13 purchased for use in scheduled all-cargo operations being  
14 conducted on international flights or in international  
15 commerce. For purposes of this subdivision, the following  
16 words or terms shall be defined and interpreted as follows:

17 a. Air Carrier. Any person, firm, corporation, or  
18 entity undertaking by any means, directly or indirectly, to  
19 provide air transportation.

20 b. All-Cargo Operations. Any flight conducted by an  
21 air carrier for compensation or hire other than a passenger  
22 carrying flight, except passengers as specified in 14 C.F.R.  
23 §121.583(a) or 14 C.F.R. §135.85, as amended.

24 c. International Commerce. Any air carrier engaged  
25 in all-cargo operations transporting goods for compensation or  
26 hire on international flights.



1           d. International Flights. Any air carrier conducting  
2 scheduled all-cargo operations between any point within the 50  
3 states of the United States and the District of Columbia and  
4 any point outside the 50 states of the United States and the  
5 District of Columbia, including any interim stops within the  
6 United States so long as the ultimate origin or destination of  
7 the aircraft is outside the United States and the District of  
8 Columbia.

9           ~~(42)~~ (43) The gross proceeds of the sale or sales of  
10 the following:

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

14           b. Tangible personal property exclusively used for  
15 the exploration for or production of oil, gas, sulphur, or  
16 other minerals in offshore federal waters.

17           c. Fuel and supplies for use or consumption aboard  
18 boats, ships, aircraft, and towing vessels when used  
19 exclusively in transporting persons or property between a  
20 point in Alabama and a point or points in offshore federal  
21 waters for the exploration for or production of oil, gas,  
22 sulphur, or other minerals in offshore federal waters.

23           d. Drilling equipment that is used for the  
24 exploration for or production of oil, gas, sulphur, or other  
25 minerals, that is built for exclusive use outside this state  
26 and that is, on completion, removed forthwith from this state.

1           The delivery of items exempted by this subdivision  
2 to the purchaser or lessee in this state does not disqualify  
3 the purchaser or lessee from the exemption if the property is  
4 removed from the state by any means, including by the use of  
5 the purchaser's or lessee's own facilities.

6           The shipment to a place in this state of equipment  
7 exempted by this subdivision for further assembly or  
8 fabrication does not disqualify the purchaser or lessee from  
9 the exemption if on completion of the further assembly or  
10 fabrication the equipment is removed forthwith from this  
11 state. This subdivision applies to a sale that may occur when  
12 the equipment exempted is further assembled or fabricated if  
13 on completion the equipment is removed forthwith from this  
14 state.

15           ~~(43)~~ (44) The gross receipts derived from all bingo  
16 games and operations which are conducted in compliance with  
17 validly enacted legislation authorizing the conduct of such  
18 games and operations, and which comply with the distribution  
19 requirements of the applicable local laws; provided that the  
20 exemption from sales taxation granted by this subdivision  
21 shall apply only to gross receipts taxable under subdivision  
22 (2) of Section 40-23-2. It is further provided that this  
23 exemption shall not apply to any gross receipts from the sale  
24 of tangible personal property, such as concessions, novelties,  
25 food, beverages, etc. The exemption provided for in this  
26 section shall be limited to those games and operations by  
27 organizations which have qualified for exemption under the

1 provisions of 26 U.S.C. § 501 (c) (3), (4), (7), (8), (10), or  
2 (19), or which are defined in 26 U.S.C. § 501(d).

3 ~~(44)~~ (45) The gross receipts derived from the sale  
4 or sales of fruit or other agricultural products by the person  
5 or corporation that planted, cultivated, and harvested such  
6 fruit or agricultural product.

7 ~~(45)~~ (46) The gross receipts derived from the sale  
8 or sales of all domestically mined or produced coal, coke, and  
9 coke by-products used in cogeneration plants.

10 ~~(46)~~ (47) The gross receipts from the sale or sales  
11 of metal, other than gold or silver, when such metal is  
12 purchased for the purpose of transferring such metal to an  
13 investment trust in exchange for shares or other units, each  
14 of which are both publicly traded and represent fractional  
15 undivided beneficial interests in the trust's net assets,  
16 including metal stored in warehouses located in this state, as  
17 well as the gross proceeds from the sale or other transfer of  
18 such metal to or from such investment trust in exchange for  
19 shares or other units that are publicly traded and represent  
20 fractional undivided beneficial interests in the trust's net  
21 assets but not to the extent that metal is transferred to or  
22 from the investment trust in exchange for consideration other  
23 than such publicly traded shares or other units. For purposes  
24 of this subdivision, the term metals includes, but is not  
25 limited to, copper, aluminum, nickel, zinc, tin, lead, and  
26 other similar metals typically used in commercial and  
27 industrial applications.

1           ~~(47)~~ (48) For the period commencing on October 1,  
2           2012, and ending May 30, 2022, unless extended by joint  
3           resolution, the gross receipts from the sale of parts,  
4           components, and systems that become a part of a fixed or  
5           rotary wing military aircraft or certified transport category  
6           aircraft that undergoes conversion, reconfiguration, or  
7           general maintenance so long as the address of the aircraft for  
8           FAA registration is not in the state; provided, however, that  
9           this exemption shall not apply to a local sales tax unless  
10          previously exempted by local law or approved by resolution of  
11          the local governing body.

12                   (b) Any violation of any provision of this section  
13          shall be punishable in a court of competent jurisdiction by a  
14          fine of not less than \$500 and no more than \$2,000 and  
15          imprisonment of not less than six months nor more than one  
16          year in the county jail.

17                   "§40-23-62.

18                   The storage, use or other consumption in this state  
19          of the following tangible personal property is hereby  
20          specifically exempted from the tax imposed by this article:

21                   (1) Property, on which the sales tax imposed by the  
22          provisions of Article 1 of this chapter is paid by the  
23          consumer to a person licensed under the provisions of Article  
24          1 of this chapter.

25                   (2) Property, the storage, use or other consumption  
26          of which this state is prohibited from taxing under the

1 Constitution or laws of the United States of America or under  
2 the constitution of this state.

3 (3) Tangible personal property, not to be used in  
4 the performance of a contract, brought into this state by a  
5 nonresident thereof for his own storage, use or consumption  
6 while temporarily within this state.

7 (4) Lubricating oil and gasoline as defined in  
8 Sections 40-17-30 and 40-17-170, the storage, use or other  
9 consumption of which is otherwise taxed.

10 (5) All fertilizer; provided, that the word  
11 "fertilizer" as used in this article shall not be construed to  
12 include cottonseed meal when not in combination with other  
13 material.

14 (6) All seeds for planting purposes and baby chicks  
15 and poults; provided, that nothing herein shall be construed  
16 to exempt plants, seedlings, nursery stock or floral products.

17 (7) Insecticides and fungicides and feed for  
18 livestock and poultry, but not including prepared foods for  
19 dogs and cats.

20 (8) The use, storage or consumption of all livestock  
21 by whomsoever sold; and also the gross proceeds of poultry and  
22 other products of the farm, dairy, grove or garden, when in  
23 the original state of production or condition of preparation  
24 for sale, when such sale or sales are made by the producer or  
25 members of his immediate family or for him by those employed  
26 by him to assist in the production thereof. Nothing herein  
27 shall be construed to exempt or exclude from the measure or

1 computation of the tax levied, assessed, or payable hereunder,  
2 the gross proceeds of sales of poultry or poultry products  
3 when not products of the farm.

4 (9) Cottonseed meal exchanged for cottonseed at or  
5 by cotton gins.

6 (10) Transportation, gas, water, or electricity, of  
7 the kinds and natures, the rates and charges for which when  
8 sold by public utilities, are customarily fixed and determined  
9 by the Public Service Commission of Alabama or like regulatory  
10 bodies.

11 (11) Coal or coke to be stored, used or consumed by  
12 manufacturers, electric power companies and transportation  
13 companies for use or consumption in the production of  
14 by-products or the generation of heat or power used:

15 a. In manufacturing tangible personal property for  
16 sale;

17 b. For the generation of electric power or energy  
18 for use in manufacturing tangible personal property for sale  
19 or for resale; or

20 c. For the generation of motive power for  
21 transportation.

22 (12) Fuel and supplies for use or consumption aboard  
23 ships, vessels, towing vessels, or barges, or drilling ships,  
24 rigs or barges, or seismic or geophysical vessels, or other  
25 watercraft (herein for purposes of this exemption being  
26 referred to as vessels) engaged in foreign or international  
27 commerce or in interstate commerce; provided, that nothing in

1 this article shall be construed to exempt or exclude from the  
2 measure of the tax herein levied the gross proceeds of sale or  
3 sales of material and supplies to any person for use in  
4 fulfilling a contract for the painting, repair or  
5 reconditioning of vessels, barges, ships, other watercraft and  
6 commercial fishing vessels of over five tons load displacement  
7 as registered with the U.S. Coast Guard and licensed by the  
8 State of Alabama Department of Conservation and Natural  
9 Resources. For purposes of this subdivision, it shall be  
10 presumed that vessels engaged in the transportation of cargo  
11 between ports in the State of Alabama and ports in foreign  
12 countries or possessions or territories of the United States  
13 or between ports in the State of Alabama and ports in other  
14 states are engaged in foreign or international commerce or  
15 interstate commerce, as the case may be. For the purposes of  
16 this subdivision, the engaging in foreign or international  
17 commerce or interstate commerce shall not require that the  
18 vessel involved deliver cargo to or receive cargo from a port  
19 in the State of Alabama. For purposes of this subdivision,  
20 vessels carrying passengers for hire, and no cargo, between  
21 ports in the State of Alabama and ports in foreign countries  
22 or possessions or territories of the United States or between  
23 ports in the State of Alabama and ports in other states shall  
24 be engaged in foreign or international commerce or interstate  
25 commerce, as the case may be, if, and only if, both of the  
26 following conditions are met: (i) The vessel in question is a  
27 vessel of at least 100 gross tons; and (ii) the vessel in

1 question has an unexpired certificate of inspection issued by  
2 the United States Coast Guard or by the proper authority of a  
3 foreign country for a foreign vessel, which certificate is  
4 recognized as acceptable under the laws of the United States.  
5 Vessels which are engaged in foreign or international commerce  
6 or interstate commerce shall be deemed for the purposes of  
7 this subdivision to remain in such commerce while awaiting or  
8 under repair in a port of the State of Alabama if such vessel  
9 returns after such repairs are completed to engaging in  
10 foreign or international commerce or interstate commerce. For  
11 purposes of this subdivision, seismic or geophysical vessels  
12 which are engaged either in seismic or geophysical tests or  
13 evaluations exclusively in offshore federal waters or in  
14 traveling to or from conducting such tests or evaluations  
15 shall be deemed to be engaged in international or foreign  
16 commerce. For purposes of this subdivision, proof that fuel  
17 and supplies purchased are for use or consumption aboard  
18 vessels engaged in foreign or international commerce or in  
19 interstate commerce may be accomplished by the merchant or  
20 seller securing the duly signed certificate of the vessel  
21 owner, operator or captain or their respective agent on a form  
22 prescribed by the department that the fuel and supplies  
23 purchased are for use or consumption aboard vessels engaged in  
24 foreign or international commerce or in interstate commerce.  
25 Any person filing a false certificate shall be guilty of a  
26 misdemeanor and upon conviction shall be fined not less than  
27 \$25 nor more than \$500 for each offense. Each false



1 certificate filed shall constitute a separate offense. Any  
2 person filing a false certificate shall be liable to the  
3 department for all taxes imposed by this division upon the  
4 merchant or seller, together with any interest or penalties  
5 thereon, by reason of the sale or sales of fuel and supplies  
6 applicable to such false certificate. If a merchant or seller  
7 of fuel and supplies secures the certificate herein mentioned,  
8 properly completed, such merchant or seller shall not be  
9 liable for the taxes imposed by this division, if such  
10 merchant or seller had no knowledge that such certificate was  
11 false when it was filed with such merchant or seller.

12 (13) Property stored, used or consumed by the State  
13 of Alabama, by the counties within the state or by  
14 incorporated municipalities of the State of Alabama.

15 (14) The use, storage or consumption of materials,  
16 equipment and machinery which, at any time, enter into and  
17 become a component part of ships, vessels, towing vessels or  
18 barges, or drilling ships, rigs or barges, or seismic or  
19 geophysical vessels, other watercraft and commercial fishing  
20 vessels of over five tons load displacement as registered with  
21 the U.S. Coast Guard and licensed by the Department of  
22 Conservation and Natural Resources. Additionally, the use,  
23 storage, or consumption of lifeboats, personal flotation  
24 devices, ring life buoys, survival craft equipment, distress  
25 signals, EPIRB's, fire extinguishers, injury placards, waste  
26 management plans and logs, marine sanitation devices,  
27 navigation rulebooks, navigation lights, sound signals,

1 navigation day shapes, oil placard cards, garbage placards,  
2 FCC SSL, stability instructions, first aid equipment,  
3 compasses, anchor and radar reflectors, general alarm systems,  
4 bilge pumps, piping, and discharge and electronic position  
5 fixing devices on the aforementioned watercraft.

6 (15) The use, storage, or consumption of fuel oil  
7 purchased as fuel for kilns used in manufacturing  
8 establishments.

9 (16) Tangible personal property stored, used or  
10 consumed by county and city school boards, independent school  
11 boards and all educational institutions and agencies of the  
12 State of Alabama, the counties within the state or any  
13 incorporated municipality of the State of Alabama.

14 (17) The storage, use, or consumption of railroad  
15 cars, vessels, and barges and commercial fishing vessels of  
16 over five tons load displacement as registered with the U.S.  
17 Coast Guard and licensed by the State of Alabama Department of  
18 Conservation and Natural Resources when purchased from the  
19 manufacturers or builders thereof.

20 (18) The storage, use, or consumption of all devices  
21 or facilities, and all identifiable components thereof or  
22 materials for use therein, used or placed in operation  
23 primarily for the control, reduction or elimination of air or  
24 water pollution, and the storage, use, or consumption of all  
25 identifiable components of or materials used or intended for  
26 use in structures built primarily for the control, reduction  
27 or elimination of air or water pollution.

1           (19) When dealers or distributors use parts taken  
2 from stocks owned by them in making repairs without charge for  
3 such parts to the owner of the property required pursuant to  
4 warranty agreements entered into by manufacturers, such use  
5 shall not constitute taxable sales to the manufacturers,  
6 distributors or to the dealers, under this article, or under  
7 any county use tax law.

8           (20) The storage, use, or other consumption in this  
9 state of religious magazines and publications. For the purpose  
10 of this subdivision the words "religious magazines and  
11 publications" shall be construed to mean printed or  
12 illustrated lessons, notes and explanations distributed by  
13 churches or other religious organizations free of charge to  
14 pupils or students in Sunday schools, Bible classes or other  
15 educational facilities established and maintained by churches  
16 or similar religious organizations in this state.

17           (21) The storage, use, or other consumption of  
18 wrapping paper and other wrapping materials when used in  
19 preparing poultry or poultry products for delivery, shipment  
20 or sale by the producer, processor, packer, or seller of such  
21 poultry or poultry products including pallets used in shipping  
22 poultry and egg products, paper or other materials used for  
23 lining boxes or other containers in which poultry or poultry  
24 products are packed together with any other materials placed  
25 in such containers for the delivery, shipment or sale of  
26 poultry or poultry products.

1           (22) The storage, use, or other consumption of all  
2 antibiotics, hormones and hormone preparations, drugs,  
3 medicines or medications, vitamins, minerals, or other  
4 nutrients and all other feed ingredients including  
5 concentrates, supplements and other feed ingredients when such  
6 substances are used as ingredients in mixing and preparing  
7 feed for livestock and poultry. Such exemption herein granted  
8 shall be in addition to exemptions now provided by law for  
9 feed for livestock and poultry, but not including prepared  
10 foods for dogs and cats.

11           (23) The use of seedlings, plants, shoots, and slips  
12 which are to be used for planting vegetable gardens or truck  
13 farms. Nothing herein shall be construed to exempt, or exclude  
14 from the computation of the tax levied, assessed, or payable,  
15 the use of plants, seedlings, shoots, slips, nursery stock and  
16 floral products except as hereinabove exempted.

17           (24) Fabricated steel tube sections, when produced  
18 and fabricated in this state by any person, firm, or  
19 corporation, for any vehicular tunnel for highway vehicular  
20 traffic, when sold by the manufacturer or fabricator thereof,  
21 and also steel which enters into and becomes a component part  
22 of such fabricated steel tube sections of said tunnel, shall  
23 be exempted from the provisions of this article and from the  
24 computation of the amount of the tax levied, assessed or  
25 payable under this article.

26           (25) The storage, use or other consumption of  
27 herbicides for agricultural uses by whomsoever sold. The term

1 "herbicides" as used in this subdivision means any substance  
2 or mixture of substances intended to prevent, destroy, repel,  
3 or retard the growth of weeds or plants. It shall include  
4 preemergence herbicides, postemergence herbicides, lay-by  
5 herbicides, pasture herbicides, defoliant herbicides, and  
6 desiccant herbicides.

7 (26) The Alabama Chapter of the Cystic Fibrosis  
8 Research Foundation, and the Jefferson Tuberculosis Sanatorium  
9 and any of their departments or agencies, heretofore or  
10 hereafter organized and existing in good faith in the State of  
11 Alabama for purposes other than for pecuniary gain and not for  
12 individual profit, shall be exempted from the payment of the  
13 state use tax levied under this article.

14 (27) Fuel for use or consumption aboard commercial  
15 fishing vessels are hereby exempt from the payment of the  
16 state use tax levied under this article, or levied under any  
17 county or municipal use tax law.

18 The words commercial fishing vessels shall mean  
19 vessels whose masters and owners are regularly and exclusively  
20 engaged in fishing as their means of livelihood.

21 (28) The storage, use, or withdrawal of sawdust,  
22 wood shavings, wood chips, and other like materials purchased  
23 for use as chicken litter by poultry producers and poultry  
24 processors shall be exempt under this article.

25 (29) The storage, use or other consumption of all  
26 antibiotics, hormones and hormone preparations, drugs,  
27 medicines and other medications including serums and vaccines,

1 vitamins, minerals or other nutrients for use in the  
2 production and growing of fish, livestock, and poultry are  
3 hereby specifically exempted from the payment of the state use  
4 tax levied by this article. Such exemption as herein granted  
5 shall be in addition to the exemptions now provided by law for  
6 feed for fish, livestock, and poultry, and in addition to the  
7 exemptions now provided by law for the above-enumerated  
8 substances and products when mixed and used as ingredients in  
9 fish, livestock and poultry feeds.

10 (30) All medicines prescribed by physicians for  
11 persons who are 65 years of age or older, and when said  
12 prescriptions are filled by licensed pharmacists, shall be  
13 exempted from the operation of the state use tax law levied by  
14 this article, or by any county or municipal use tax law. The  
15 exemptions provided in this subdivision shall not apply to any  
16 medicine purchased in any manner other than as is herein  
17 provided.

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

21 a. The name and claim number as shown on a  
22 "Medicare" card issued by the United States Social Security  
23 Administration.

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

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

4           For the purposes of this subdivision any person  
5 filing a false proof of age shall be guilty of a misdemeanor  
6 and upon conviction thereof shall be punished by a fine of  
7 \$100.

8           (31) All diesel fuel used for off-highway  
9 agricultural purposes.

10           (32) The storage, use or other consumption of any  
11 aircraft and replacement parts, components, systems, supplies  
12 and sundries affixed or used on said aircraft and ground  
13 support equipment and vehicles used by or for the aircraft by  
14 a certificated or licensed air carrier with a hub operation  
15 within this state, for use in conducting intrastate,  
16 interstate or foreign commerce for transporting people or  
17 property by air. For the purpose of this subdivision, the  
18 words "hub operation within this state" shall be construed to  
19 have all of the following criteria:

20           a. There originates from the location 15 or more  
21 flight departures and five or more different first-stop  
22 destinations five days per week for six or more months during  
23 the calendar year; and

24           b. Passengers and/or property are regularly  
25 exchanged at the location between flights of the same or a  
26 different certificated or licensed air carrier.

1           (33) The storage, use or other consumption of any  
2           aviation jet fuel used by an aircraft operated by a  
3           certificated or licensed air carrier that purchases jet fuel  
4           for use in scheduled all-cargo operations being conducted on  
5           international flights or in international commerce. For  
6           purposes of this subdivision, the following words or terms  
7           shall be defined and interpreted as follows:

8           a. Air Carrier. Any person, firm, corporation, or  
9           entity undertaking by any means, directly or indirectly, to  
10          provide air transportation.

11          b. All-Cargo Operations. Any flight conducted by an  
12          air carrier for compensation or hire other than a passenger  
13          carrying flight, except passengers as specified in 14 C.F.R.  
14          §121.583(a) or 14 C.F.R. §135.85, as amended.

15          c. International Commerce. Any air carrier engaged  
16          in all-cargo operations transporting goods for compensation or  
17          hire on international flights.

18          d. International Flights. Any air carrier conducting  
19          scheduled all-cargo operations between any point within the 50  
20          states of the United States and the District of Columbia and  
21          any point outside the 50 states of the United States and the  
22          District of Columbia, including any interim stops within the  
23          United States so long as the ultimate origin or destination of  
24          the aircraft is outside the United States and the District of  
25          Columbia.

26          ~~(33)~~ (34) The storage, use, or other consumption of  
27          hot or cold food and beverage products by a certificated or



1 licensed air carrier with a hub operation within this state,  
2 for use in conducting intrastate, interstate, or foreign  
3 commerce for transporting people or property by air. For the  
4 purpose of this subdivision, the words "hub operation within  
5 this state" shall be construed to have all of the following  
6 criteria:

7 a. There originates from the location 15 or more  
8 flight departures and five or more different first-stop  
9 destinations five days per week for six or more months during  
10 the calendar year; and

11 b. Passengers and/or property are regularly  
12 exchanged at the location between flights of the same or a  
13 different certificated or licensed air carrier.

14 ~~(34)~~ (35) The storage, use, or other consumption of  
15 the following:

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

19 b. Tangible personal property exclusively used for  
20 the exploration for or production of oil, gas, sulphur, or  
21 other minerals in offshore federal waters.

22 c. Fuel and supplies for use or consumption aboard  
23 boats, ships, aircraft, and towing vessels when used  
24 exclusively in transporting persons or property between a  
25 point in Alabama and a point or points in offshore federal  
26 waters for the exploration for or production of oil, gas,  
27 sulphur, or other minerals in offshore federal waters.

1           d. Drilling equipment that is used for the  
2 exploration for or production of oil, gas, sulphur, or other  
3 minerals, that is built for exclusive use outside this state  
4 and that is, on completion, removed forthwith from this state.

5           e. All domestically mined or produced coal, coke,  
6 and coke by-products used in cogeneration plants in Alabama.

7           The delivery of items exempted by this subdivision  
8 to the purchaser or lessee in this state does not disqualify  
9 the purchaser or lessee from the exemption if the property is  
10 removed from the state by any means, including by the use of  
11 the purchaser's or lessee's own facilities.

12           The shipment to a place in this state of equipment  
13 exempted by this subdivision for further assembly or  
14 fabrication does not disqualify the purchaser or lessee from  
15 the exemption if on completion of the further assembly or  
16 fabrication the equipment is removed forthwith from this  
17 state. This subdivision applies to a sale that may occur when  
18 the equipment exempted is further assembled or fabricated if  
19 on completion the equipment is removed forthwith from this  
20 state.

21           ~~(35)~~ (36) The storage or use of metal, other than  
22 gold or silver, when such metal is held by an investment trust  
23 the shares or other units in the trust's net assets of which  
24 have been issued in exchange for such metal and are publicly  
25 traded, including metal stored in warehouses located in this  
26 state. For purposes of this subdivision, the term metals  
27 includes, but is not limited to, copper, aluminum, nickel,

1 zinc, tin, lead, and other similar metals typically used in  
2 commercial and industrial applications.

3 Section 2. The provisions of this act are  
4 retroactive to October 1, 2012.

5 Section 3. This act shall become effective  
6 immediately following its passage and approval by the  
7 Governor, or its otherwise becoming law.

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House of Representatives

Read for the first time and re-  
ferred to the House of Representa-  
tives committee on Transportation,  
Utilities and Infrastructure ..... . . . . 14-FEB-13

Read for the second time and placed  
on the calendar 1 amendment ..... . . . . 26-FEB-13

Read for the third time and passed  
as amended..... . . . . 12-MAR-13

Yeas 98, Nays 0, Abstains 0

Jeff Woodard  
Clerk