

1 HB279  
2 148702-3  
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

1  
2 ENROLLED, An Act,

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

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

19           "§40-17-329.

20           (a) Unless otherwise provided for in this  
21 subsection, sales of motor fuel to the following are exempt  
22 from the tax levied by subsection (a) of Section 40-17-325 and  
23 shall not be paid at the rack:

24           (1) All motor fuel exported from this state for  
25 which proof of export is available in the form of a terminal

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

10 (2) All sales of dyed diesel fuel.

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

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

20 (5) Motor fuel that is delivered by a licensed  
21 supplier from one terminal to another terminal when ownership  
22 in the motor fuel has not changed, or by a licensed supplier  
23 from a terminal to a refinery operated by the licensed  
24 supplier.

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

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

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

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

20           ~~d. International Flights. Any air carrier conducting~~  
21 ~~scheduled all-cargo operations between any point within the 50~~  
22 ~~states of the United States and the District of Columbia and~~  
23 ~~any point outside the 50 states of the United States and the~~  
24 ~~District of Columbia, including any interim stops within the~~  
25 ~~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

1 international flights or in international commerce. For the  
2 purposes of this subsection, the following words or terms  
3 shall be defined and interpreted as follows:

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

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

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

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

23 (e) Having first paid the tax to its vendor, the  
24 following entities shall have the right to apply to the

1 department for a refund on a quarterly basis for any purchases  
2 of motor fuel:

3 (1) The United States government or any agency  
4 thereof.

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

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

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

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

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

23 (g) Having first paid the tax, a licensed air  
24 carrier with a hub operation within this state shall have the  
25 right to apply to the department for a refund on a quarterly

1 basis for any purchases of jet fuel used to propel aircraft.  
 2 For the purposes of this subsection, the words "hub operation  
 3 within this state" shall be construed to have all of the  
 4 following criteria:

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

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

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

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

22 (j) Tax paid on motor fuel that (1) is lost or  
 23 destroyed as a direct result of a sudden and unexpected  
 24 casualty, or (2) becomes unsalable or unusable as highway fuel



1 due to such things as the contamination by dye or mixture of  
2 gasoline and diesel shall be refundable.

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

7 (l) Tax paid on motor fuel within the bulk transfer  
8 system may be refunded upon sufficient proof that (1) a second  
9 tax had been paid pursuant to Section 40-17-325 or (2) the  
10 fuel was exported to another state or country. The party  
11 paying the second tax or exporting the fuel may file for a  
12 refund on a monthly basis.

13 "§40-23-4.

14 (a) There are exempted from the provisions of this  
15 division and from the computation of the amount of the tax  
16 levied, assessed, or payable under this division the  
17 following:

18 (1) The gross proceeds of the sales of lubricating  
19 oil and gasoline as defined in Sections 40-17-30 and 40-17-170  
20 and the gross proceeds from those sales of lubricating oil  
21 destined for out-of-state use which are transacted in a manner  
22 whereby an out-of-state purchaser takes delivery of such oil  
23 at a distributor's plant within this state and transports it  
24 out-of-state, which are otherwise taxed.

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

5           (3) The gross proceeds of the sale, or sales, of  
6 seeds for planting purposes and baby chicks and poults.  
7 Nothing herein shall be construed to exempt or exclude from  
8 the computation of the tax levied, assessed, or payable, the  
9 gross proceeds of the sale or sales of plants, seedlings,  
10 nursery stock, or floral products.

11           (4) The gross proceeds of sales of insecticides and  
12 fungicides when used for agricultural purposes or when used by  
13 persons properly permitted by the Department of Agriculture  
14 and Industries or any applicable local or state governmental  
15 authority for structural pest control work and feed for  
16 livestock and poultry, but not including prepared food for  
17 dogs and cats.

18           (5) The gross proceeds of sales of all livestock by  
19 whomsoever sold, and also the gross proceeds of poultry and  
20 other products of the farm, dairy, grove, or garden, when in  
21 the original state of production or condition of preparation  
22 for sale, when such sale or sales are made by the producer or  
23 members of his immediate family or for him by those employed  
24 by him to assist in the production thereof. Nothing herein  
25 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 (6) Cottonseed meal exchanged for cottonseed at or  
5 by cotton gins.

6 (7) The gross receipts from the business on which,  
7 or for engaging in which, a license or privilege tax is levied  
8 by or under the provisions of Sections 40-21-50, 40-21-53, and  
9 40-21-56 through 40-21-60; provided, that nothing contained in  
10 this subdivision shall be construed to exempt or relieve the  
11 person or persons operating the business enumerated in said  
12 sections from the payments of the tax levied by this division  
13 upon or measured by the gross proceeds of sales of any  
14 tangible personal property, except gas and water, the gross  
15 receipts from the sale of which are the measure of the tax  
16 levied by said Section 40-21-50, merchandise or other tangible  
17 commodities sold at retail by said persons, unless the gross  
18 proceeds of sale thereof are otherwise specifically exempted  
19 by the provisions of this division.

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

1           (9) The gross proceeds of the sale, or sales of wood  
2 residue, coal, or coke to manufacturers, electric power  
3 companies, and transportation companies for use or consumption  
4 in the production of by-products, or the generation of heat or  
5 power used in manufacturing tangible personal property for  
6 sale, for the generation of electric power or energy for use  
7 in manufacturing tangible personal property for sale or for  
8 resale, or for the generation of motive power for  
9 transportation.

10           (10) The gross proceeds from the sale or sales of  
11 fuel and supplies for use or consumption aboard ships,  
12 vessels, towing vessels, or barges, or drilling ships, rigs or  
13 barges, or seismic or geophysical vessels, or other watercraft  
14 (herein for purposes of this exemption being referred to as  
15 "vessels") engaged in foreign or international commerce or in  
16 interstate commerce; provided, that nothing in this division  
17 shall be construed to exempt or exclude from the measure of  
18 the tax herein levied the gross proceeds of sale or sales of  
19 material and supplies to any person for use in fulfilling a  
20 contract for the painting, repair, or reconditioning of  
21 vessels, barges, ships, other watercraft, and commercial  
22 fishing vessels of over five tons load displacement as  
23 registered with the U.S. Coast Guard and licensed by the State  
24 of Alabama Department of Conservation and Natural Resources.

1           For purposes of this subdivision, it shall be  
2 presumed that vessels engaged in the transportation of cargo  
3 between ports in the State of Alabama and ports in foreign  
4 countries or possessions or territories of the United States  
5 or between ports in the State of Alabama and ports in other  
6 states are engaged in foreign or international commerce or  
7 interstate commerce, as the case may be. For the purposes of  
8 this subdivision, the engaging in foreign or international  
9 commerce or interstate commerce shall not require that the  
10 vessel involved deliver cargo to or receive cargo from a port  
11 in the State of Alabama. For purposes of this subdivision,  
12 vessels carrying passengers for hire, and no cargo, between  
13 ports in the State of Alabama and ports in foreign countries  
14 or possessions or territories of the United States or between  
15 ports in the State of Alabama and ports in other states shall  
16 be engaged in foreign or international commerce or interstate  
17 commerce, as the case may be, if, and only if, both of the  
18 following conditions are met: (i) The vessel in question is a  
19 vessel of at least 100 gross tons; and (ii) the vessel in  
20 question has an unexpired certificate of inspection issued by  
21 the United States Coast Guard or by the proper authority of a  
22 foreign country for a foreign vessel, which certificate is  
23 recognized as acceptable under the laws of the United States.  
24 Vessels which are engaged in foreign or international commerce  
25 or interstate commerce shall be deemed for the purposes of

1 this subdivision to remain in such commerce while awaiting or  
2 under repair in a port of the State of Alabama if such vessel  
3 returns after such repairs are completed to engaging in  
4 foreign or international commerce or interstate commerce. For  
5 purposes of this subdivision, seismic or geophysical vessels  
6 which are engaged either in seismic or geophysical tests or  
7 evaluations exclusively in offshore federal waters or in  
8 traveling to or from conducting such tests or evaluations  
9 shall be deemed to be engaged in international or foreign  
10 commerce. For purposes of this subdivision, proof that fuel  
11 and supplies purchased are for use or consumption aboard  
12 vessels engaged in foreign or international commerce or in  
13 interstate commerce may be accomplished by the merchant or  
14 seller securing the duly signed certificate of the vessel  
15 owner, operator, or captain or their respective agent on a  
16 form prescribed by the department that the fuel and supplies  
17 purchased are for use or consumption aboard vessels engaged in  
18 foreign or international commerce or in interstate commerce.  
19 Any person filing a false certificate shall be guilty of a  
20 misdemeanor and upon conviction shall be fined not less than  
21 \$25 nor more than \$500 for each offense. Each false  
22 certificate filed shall constitute a separate offense. Any  
23 person filing a false certificate shall be liable to the  
24 department for all taxes imposed by this division upon the  
25 merchant or seller, together with any interest or penalties

1       thereon, by reason of the sale or sales of fuel and supplies  
2       applicable to such false certificate. If a merchant or seller  
3       of fuel and supplies secures the certificate herein mentioned,  
4       properly completed, such merchant or seller shall not be  
5       liable for the taxes imposed by this division, if such  
6       merchant or seller had no knowledge that such certificate was  
7       false when it was filed with such merchant or seller.

8               (11) The gross proceeds of sales of tangible  
9       personal property to the State of Alabama, to the counties  
10       within the state and to incorporated municipalities of the  
11       State of Alabama.

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

18              (13) The gross proceeds of the sale or sales of  
19       materials, equipment, and machinery which, at any time, enter  
20       into and become a component part of ships, vessels, towing  
21       vessels or barges, or drilling ships, rigs or barges, or  
22       seismic or geophysical vessels, other watercraft and  
23       commercial fishing vessels of over five tons load displacement  
24       as registered with the U.S. Coast Guard and licensed by the  
25       State of Alabama Department of Conservation and Natural

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

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

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

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

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

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

21 (22) The gross proceeds of the sale, or sales, of  
22 seedlings, plants, shoots, and slips which are to be used for  
23 planting vegetable gardens or truck farms and other  
24 agricultural purposes. Nothing herein shall be construed to  
25 exempt, or exclude from the computation of the tax levied,

1 assessed, or payable, the gross proceeds of the sale, or the  
2 use of plants, seedlings, shoots, slips, nursery stock, and  
3 floral products, except as hereinabove exempted.

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

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

1           (25) The gross proceeds of sales of herbicides for  
2 agricultural uses by whomsoever sold. The term herbicides, as  
3 used in this subdivision, means any substance or mixture of  
4 substances intended to prevent, destroy, repel, or retard the  
5 growth of weeds or plants. It shall include preemergence  
6 herbicides, postemergence herbicides, lay-by herbicides,  
7 pasture herbicides, defoliant herbicides, and desiccant  
8 herbicides.

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

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

23           The words commercial fishing vessels shall mean  
24 vessels whose masters and owners are regularly and exclusively  
25 engaged in fishing as their means of livelihood.

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

4           (29) The gross proceeds of the sales of all  
5 antibiotics, hormones and hormone preparations, drugs,  
6 medicines, and other medications including serums and  
7 vaccines, vitamins, minerals, or other nutrients for use in  
8 the production and growing of fish, livestock, and poultry by  
9 whomsoever sold. Such exemption as herein granted shall be in  
10 addition to the exemption provided by law for feed for fish,  
11 livestock, and poultry, and in addition to the exemptions  
12 provided by law for the above-enumerated substances and  
13 products when mixed and used as ingredients in fish,  
14 livestock, and poultry feed.

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

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

1           a. The name and claim number as shown on a  
2 "Medicare" card issued by the United States Social Security  
3 Administration.

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

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

10           For the purposes of this subdivision, any person  
11 filing a false proof of age shall be guilty of a misdemeanor  
12 and upon conviction thereof shall be punished by a fine of  
13 \$100.

14           (31) There shall be exempted from the tax levied by  
15 this division the gross receipts of sales of grass sod of all  
16 kinds and character when in the original state of production  
17 or condition of preparation for sale, when such sales are made  
18 by the producer or members of his family or for him by those  
19 employed by him to assist in the production thereof; provided,  
20 that nothing herein shall be construed to exempt sales of sod  
21 by a person engaged in the business of selling plants,  
22 seedlings, nursery stock, or floral products.

23           (32) The gross receipts of sales of the following  
24 items or materials which are necessary in the farm-to-market  
25 production of tomatoes when such items or materials are used

1 by the producer or members of his family or for him by those  
2 employed by him to assist in the production thereof: Twine for  
3 tying tomatoes, tomato stakes, field boxes (wooden boxes used  
4 to take tomatoes from the fields to shed), and tomato boxes  
5 used in shipments to customers.

6 (33) The gross proceeds from the sale of liquefied  
7 petroleum gas or natural gas sold to be used for agricultural  
8 purposes.

9 (34) The gross receipts of sales from state  
10 nurseries of forest tree seedlings.

11 (35) The gross receipts of sales of forest tree seed  
12 by the state.

13 (36) The gross receipts of sales of Lespedeza  
14 bicolor and other species of perennial plant seed and  
15 seedlings sold for wildlife and game food production purposes  
16 by the state.

17 (37) The gross receipts of any aircraft  
18 manufactured, sold, and delivered in this state if said  
19 aircraft are not permanently domiciled in Alabama and are  
20 removed to another state.

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

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

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

3           b. Is hosted by a not-for-profit corporation  
4 organized and existing under the laws of the State of Alabama;  
5 and

6           c. Determines a national championship of a national  
7 organization, including but not limited to the Professional  
8 Golfers Association of America, the Tournament Players  
9 Association, the United States Golf Association, the United  
10 States Tennis Association, and the National Collegiate  
11 Athletic Association; and

12           d. Has not been held in the State of Alabama on more  
13 than one prior occasion, provided, however, that for such  
14 purpose the Professional Golfers Association Championship, the  
15 United States Open Golf Championship, the United States  
16 Amateur Golf Championship of the United States Golf  
17 Association, and the United States Open Tennis Championship  
18 shall each be treated as a separate event.

19           (40) The gross receipts from the sale of any  
20 aircraft and replacement parts, components, systems, supplies,  
21 and sundries affixed or used on said aircraft and ground  
22 support equipment and vehicles used by or for the aircraft to  
23 or by a certificated or licensed air carrier with a hub  
24 operation within this state, for use in conducting intrastate,  
25 interstate, or foreign commerce for transporting people or



1 property by air. For the purpose of this subdivision, the  
2 words "hub operation within this state" shall be construed to  
3 have all of the following 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 (41) The gross receipts from the sale of hot or cold  
12 food and beverage products sold to or by a certificated or  
13 licensed air carrier with a hub operation within this state,  
14 for use in conducting intrastate, interstate, or foreign  
15 commerce for transporting people or property by air. For the  
16 purpose of this subdivision, the words "hub operation within  
17 this state" shall be construed to have all of the following  
18 criteria:

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

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

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

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

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

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

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

1           ~~(42)~~ (43) The gross proceeds of the sale or sales of  
2 the following:

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

6           b. Tangible personal property exclusively used for  
7 the exploration for or production of oil, gas, sulphur, or  
8 other minerals in offshore federal waters.

9           c. Fuel and supplies for use or consumption aboard  
10 boats, ships, aircraft, and towing vessels when used  
11 exclusively in transporting persons or property between a  
12 point in Alabama and a point or points in offshore federal  
13 waters for the exploration for or production of oil, gas,  
14 sulphur, or other minerals in offshore federal waters.

15           d. Drilling equipment that is used for the  
16 exploration for or production of oil, gas, sulphur, or other  
17 minerals, that is built for exclusive use outside this state  
18 and that is, on completion, removed forthwith from this state.

19           The delivery of items exempted by this subdivision  
20 to the purchaser or lessee in this state does not disqualify  
21 the purchaser or lessee from the exemption if the property is  
22 removed from the state by any means, including by the use of  
23 the purchaser's or lessee's own facilities.

24           The shipment to a place in this state of equipment  
25 exempted by this subdivision for further assembly or

1 fabrication does not disqualify the purchaser or lessee from  
2 the exemption if on completion of the further assembly or  
3 fabrication the equipment is removed forthwith from this  
4 state. This subdivision applies to a sale that may occur when  
5 the equipment exempted is further assembled or fabricated if  
6 on completion the equipment is removed forthwith from this  
7 state.

8 ~~(43)~~ (44) The gross receipts derived from all bingo  
9 games and operations which are conducted in compliance with  
10 validly enacted legislation authorizing the conduct of such  
11 games and operations, and which comply with the distribution  
12 requirements of the applicable local laws; provided that the  
13 exemption from sales taxation granted by this subdivision  
14 shall apply only to gross receipts taxable under subdivision  
15 (2) of Section 40-23-2. It is further provided that this  
16 exemption shall not apply to any gross receipts from the sale  
17 of tangible personal property, such as concessions, novelties,  
18 food, beverages, etc. The exemption provided for in this  
19 section shall be limited to those games and operations by  
20 organizations which have qualified for exemption under the  
21 provisions of 26 U.S.C. § 501 (c) (3), (4), (7), (8), (10), or  
22 (19), or which are defined in 26 U.S.C. § 501(d).

23 ~~(44)~~ (45) The gross receipts derived from the sale  
24 or sales of fruit or other agricultural products by the person

1 or corporation that planted, cultivated, and harvested such  
2 fruit or agricultural product.

3 ~~(45)~~ (46) The gross receipts derived from the sale  
4 or sales of all domestically mined or produced coal, coke, and  
5 coke by-products used in cogeneration plants.

6 ~~(46)~~ (47) The gross receipts from the sale or sales  
7 of metal, other than gold or silver, when such metal is  
8 purchased for the purpose of transferring such metal to an  
9 investment trust in exchange for shares or other units, each  
10 of which are both publicly traded and represent fractional  
11 undivided beneficial interests in the trust's net assets,  
12 including metal stored in warehouses located in this state, as  
13 well as the gross proceeds from the sale or other transfer of  
14 such metal to or from such investment trust in exchange for  
15 shares or other units that are publicly traded and represent  
16 fractional undivided beneficial interests in the trust's net  
17 assets but not to the extent that metal is transferred to or  
18 from the investment trust in exchange for consideration other  
19 than such publicly traded shares or other units. For purposes  
20 of this subdivision, the term metals includes, but is not  
21 limited to, copper, aluminum, nickel, zinc, tin, lead, and  
22 other similar metals typically used in commercial and  
23 industrial applications.

24 ~~(47)~~ (48) For the period commencing on October 1,  
25 2012, and ending May 30, 2022, unless extended by joint

1 resolution, the gross receipts from the sale of parts,  
2 components, and systems that become a part of a fixed or  
3 rotary wing military aircraft or certified transport category  
4 aircraft that undergoes conversion, reconfiguration, or  
5 general maintenance so long as the address of the aircraft for  
6 FAA registration is not in the state; provided, however, that  
7 this exemption shall not apply to a local sales tax unless  
8 previously exempted by local law or approved by resolution of  
9 the local governing body.

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

15 "§40-23-62.

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

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

23 (2) Property, the storage, use or other consumption  
24 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

1 by him to assist in the production thereof. Nothing herein  
 2 shall be construed to exempt or exclude from the measure or  
 3 computation of the tax levied, assessed, or payable hereunder,  
 4 the gross proceeds of sales of poultry or poultry products  
 5 when not products of the farm.

6 (9) Cottonseed meal exchanged for cottonseed at or  
 7 by cotton gins.

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

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

17 a. In manufacturing tangible personal property for  
 18 sale;

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

22 c. For the generation of motive power for  
 23 transportation.

24 (12) Fuel and supplies for use or consumption aboard  
 25 ships, vessels, towing vessels, or barges, or drilling ships,



1 rigs or barges, or seismic or geophysical vessels, or other  
2 watercraft (herein for purposes of this exemption being  
3 referred to as vessels) engaged in foreign or international  
4 commerce or in interstate commerce; provided, that nothing in  
5 this article shall be construed to exempt or exclude from the  
6 measure of the tax herein levied the gross proceeds of sale or  
7 sales of material and supplies to any person for use in  
8 fulfilling a contract for the painting, repair or  
9 reconditioning of vessels, barges, ships, other watercraft and  
10 commercial fishing vessels of over five tons load displacement  
11 as registered with the U.S. Coast Guard and licensed by the  
12 State of Alabama Department of Conservation and Natural  
13 Resources. For purposes of this subdivision, it shall be  
14 presumed that vessels engaged in the transportation of cargo  
15 between ports in the State of Alabama and ports in foreign  
16 countries or possessions or territories of the United States  
17 or between ports in the State of Alabama and ports in other  
18 states are engaged in foreign or international commerce or  
19 interstate commerce, as the case may be. For the purposes of  
20 this subdivision, the engaging in foreign or international  
21 commerce or interstate commerce shall not require that the  
22 vessel involved deliver cargo to or receive cargo from a port  
23 in the State of Alabama. For purposes of this subdivision,  
24 vessels carrying passengers for hire, and no cargo, between  
25 ports in the State of Alabama and ports in foreign countries

1 or possessions or territories of the United States or between  
2 ports in the State of Alabama and ports in other states shall  
3 be engaged in foreign or international commerce or interstate  
4 commerce, as the case may be, if, and only if, both of the  
5 following conditions are met: (i) The vessel in question is a  
6 vessel of at least 100 gross tons; and (ii) the vessel in  
7 question has an unexpired certificate of inspection issued by  
8 the United States Coast Guard or by the proper authority of a  
9 foreign country for a foreign vessel, which certificate is  
10 recognized as acceptable under the laws of the United States.  
11 Vessels which are engaged in foreign or international commerce  
12 or interstate commerce shall be deemed for the purposes of  
13 this subdivision to remain in such commerce while awaiting or  
14 under repair in a port of the State of Alabama if such vessel  
15 returns after such repairs are completed to engaging in  
16 foreign or international commerce or interstate commerce. For  
17 purposes of this subdivision, seismic or geophysical vessels  
18 which are engaged either in seismic or geophysical tests or  
19 evaluations exclusively in offshore federal waters or in  
20 traveling to or from conducting such tests or evaluations  
21 shall be deemed to be engaged in international or foreign  
22 commerce. For purposes of this subdivision, proof that fuel  
23 and supplies purchased are for use or consumption aboard  
24 vessels engaged in foreign or international commerce or in  
25 interstate commerce may be accomplished by the merchant or

1 seller securing the duly signed certificate of the vessel  
2 owner, operator or captain or their respective agent on a form  
3 prescribed by the department that the fuel and supplies  
4 purchased are for use or consumption aboard vessels engaged in  
5 foreign or international commerce or in interstate commerce.  
6 Any person filing a false certificate shall be guilty of a  
7 misdemeanor and upon conviction shall be fined not less than  
8 \$25 nor more than \$500 for each offense. Each false  
9 certificate filed shall constitute a separate offense. Any  
10 person filing a false certificate shall be liable to the  
11 department for all taxes imposed by this division upon the  
12 merchant or seller, together with any interest or penalties  
13 thereon, by reason of the sale or sales of fuel and supplies  
14 applicable to such false certificate. If a merchant or seller  
15 of fuel and supplies secures the certificate herein mentioned,  
16 properly completed, such merchant or seller shall not be  
17 liable for the taxes imposed by this division, if such  
18 merchant or seller had no knowledge that such certificate was  
19 false when it was filed with such merchant or seller.

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

23 (14) The use, storage or consumption of materials,  
24 equipment and machinery which, at any time, enter into and  
25 become a component part of ships, vessels, towing vessels or

1 barges, or drilling ships, rigs or barges, or seismic or  
2 geophysical vessels, other watercraft and commercial fishing  
3 vessels of over five tons load displacement as registered with  
4 the U.S. Coast Guard and licensed by the Department of  
5 Conservation and Natural Resources. Additionally, the use,  
6 storage, or consumption of lifeboats, personal flotation  
7 devices, ring life buoys, survival craft equipment, distress  
8 signals, EPIRB's, fire extinguishers, injury placards, waste  
9 management plans and logs, marine sanitation devices,  
10 navigation rulebooks, navigation lights, sound signals,  
11 navigation day shapes, oil placard cards, garbage placards,  
12 FCC SSL, stability instructions, first aid equipment,  
13 compasses, anchor and radar reflectors, general alarm systems,  
14 bilge pumps, piping, and discharge and electronic position  
15 fixing devices on the aforementioned watercraft.

16 (15) The use, storage, or consumption of fuel oil  
17 purchased as fuel for kilns used in manufacturing  
18 establishments.

19 (16) Tangible personal property stored, used or  
20 consumed by county and city school boards, independent school  
21 boards and all educational institutions and agencies of the  
22 State of Alabama, the counties within the state or any  
23 incorporated municipality of the State of Alabama.

24 (17) The storage, use, or consumption of railroad  
25 cars, vessels, and barges and commercial fishing vessels of

1 over five tons load displacement as registered with the U.S.  
2 Coast Guard and licensed by the State of Alabama Department of  
3 Conservation and Natural Resources when purchased from the  
4 manufacturers or builders thereof.

5 (18) The storage, use, or consumption of all devices  
6 or facilities, and all identifiable components thereof or  
7 materials for use therein, used or placed in operation  
8 primarily for the control, reduction or elimination of air or  
9 water pollution, and the storage, use, or consumption of all  
10 identifiable components of or materials used or intended for  
11 use in structures built primarily for the control, reduction  
12 or elimination of air or water pollution.

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

20 (20) The storage, use, or other consumption in this  
21 state of religious magazines and publications. For the purpose  
22 of this subdivision the words "religious magazines and  
23 publications" shall be construed to mean printed or  
24 illustrated lessons, notes and explanations distributed by  
25 churches or other religious organizations free of charge to

1 pupils or students in Sunday schools, Bible classes or other  
2 educational facilities established and maintained by churches  
3 or similar religious organizations in this state.

4 (21) The storage, use, or other consumption of  
5 wrapping paper and other wrapping materials when used in  
6 preparing poultry or poultry products for delivery, shipment  
7 or sale by the producer, processor, packer, or seller of such  
8 poultry or poultry products including pallets used in shipping  
9 poultry and egg products, paper or other materials used for  
10 lining boxes or other containers in which poultry or poultry  
11 products are packed together with any other materials placed  
12 in such containers for the delivery, shipment or sale of  
13 poultry or poultry products.

14 (22) The storage, use, or other consumption of all  
15 antibiotics, hormones and hormone preparations, drugs,  
16 medicines or medications, vitamins, minerals, or other  
17 nutrients and all other feed ingredients including  
18 concentrates, supplements and other feed ingredients when such  
19 substances are used as ingredients in mixing and preparing  
20 feed for livestock and poultry. Such exemption herein granted  
21 shall be in addition to exemptions now provided by law for  
22 feed for livestock and poultry, but not including prepared  
23 foods for dogs and cats.

24 (23) The use of seedlings, plants, shoots, and slips  
25 which are to be used for planting vegetable gardens or truck

1 farms. Nothing herein shall be construed to exempt, or exclude  
2 from the computation of the tax levied, assessed, or payable,  
3 the use of plants, seedlings, shoots, slips, nursery stock and  
4 floral products except as hereinabove exempted.

5 (24) Fabricated steel tube sections, when produced  
6 and fabricated in this state by any person, firm, or  
7 corporation, for any vehicular tunnel for highway vehicular  
8 traffic, when sold by the manufacturer or fabricator thereof,  
9 and also steel which enters into and becomes a component part  
10 of such fabricated steel tube sections of said tunnel, shall  
11 be exempted from the provisions of this article and from the  
12 computation of the amount of the tax levied, assessed or  
13 payable under this article.

14 (25) The storage, use or other consumption of  
15 herbicides for agricultural uses by whomsoever sold. The term  
16 "herbicides" as used in this subdivision means any substance  
17 or mixture of substances intended to prevent, destroy, repel,  
18 or retard the growth of weeds or plants. It shall include  
19 preemergence herbicides, postemergence herbicides, lay-by  
20 herbicides, pasture herbicides, defoliant herbicides, and  
21 desiccant herbicides.

22 (26) The Alabama Chapter of the Cystic Fibrosis  
23 Research Foundation, and the Jefferson Tuberculosis Sanatorium  
24 and any of their departments or agencies, heretofore or  
25 hereafter organized and existing in good faith in the State of

1 Alabama for purposes other than for pecuniary gain and not for  
2 individual profit, shall be exempted from the payment of the  
3 state use tax levied under this article.

4 (27) Fuel for use or consumption aboard commercial  
5 fishing vessels are hereby exempt from the payment of the  
6 state use tax levied under this article, or levied under any  
7 county or municipal use tax law.

8 The words commercial fishing vessels shall mean  
9 vessels whose masters and owners are regularly and exclusively  
10 engaged in fishing as their means of livelihood.

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

15 (29) The storage, use or other consumption of all  
16 antibiotics, hormones and hormone preparations, drugs,  
17 medicines and other medications including serums and vaccines,  
18 vitamins, minerals or other nutrients for use in the  
19 production and growing of fish, livestock, and poultry are  
20 hereby specifically exempted from the payment of the state use  
21 tax levied by this article. Such exemption as herein granted  
22 shall be in addition to the exemptions now provided by law for  
23 feed for fish, livestock, and poultry, and in addition to the  
24 exemptions now provided by law for the above-enumerated



1 substances and products when mixed and used as ingredients in  
2 fish, livestock and poultry feeds.

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

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

14 a. The name and claim number as shown on a  
15 "Medicare" card issued by the United States Social Security  
16 Administration.

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

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

23 For the purposes of this subdivision any person  
24 filing a false proof of age shall be guilty of a misdemeanor

1 and upon conviction thereof shall be punished by a fine of  
2 \$100.

3 (31) All diesel fuel used for off-highway  
4 agricultural purposes.

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

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

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

22 (33) The storage, use or other consumption of any  
23 aviation jet fuel used by an aircraft operated by a  
24 certificated or licensed air carrier that purchases jet fuel  
25 for use in scheduled all-cargo operations being conducted on

1 international flights or in international commerce. For  
2 purposes of this subdivision, the following words or terms  
3 shall be defined and interpreted as follows:

4 a. Air Carrier. Any person, firm, corporation, or  
5 entity undertaking by any means, directly or indirectly, to  
6 provide air transportation.

7 b. All-Cargo Operations. Any flight conducted by an  
8 air carrier for compensation or hire other than a passenger  
9 carrying flight, except passengers as specified in 14 C.F.R.  
10 §121.583(a) or 14 C.F.R. §135.85, as amended.

11 c. International Commerce. Any air carrier engaged  
12 in all-cargo operations transporting goods for compensation or  
13 hire on international flights.

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

22 ~~(33)~~ (34) The storage, use, or other consumption of  
23 hot or cold food and beverage products by a certificated or  
24 licensed air carrier with a hub operation within this state,  
25 for use in conducting intrastate, interstate, or foreign

1 commerce for transporting people or property by air. For the  
2 purpose of this subdivision, the words "hub operation within  
3 this state" shall be construed to have all of the following  
4 criteria:

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

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

12 ~~(34)~~ (35) The storage, use, or other consumption of  
13 the following:

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

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

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

1 state. For purposes of this subdivision, the term metals  
2 includes, but is not limited to, copper, aluminum, nickel,  
3 zinc, tin, lead, and other similar metals typically used in  
4 commercial and industrial applications.

5 Section 2. The provisions of this act are  
6 retroactive to October 1, 2012.

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

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Speaker of the House of Representatives

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President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in  
and was passed by the House 12-MAR-13, as amended.

Jeff Woodard  
Clerk

Senate

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02-MAY-13

Passed