

1 SB156
2 187537-4
3 By Senator Melson
4 RFD: Finance and Taxation Education
5 First Read: 11-JAN-18

SB156

ENROLLED, An Act,

To amend Sections 40-23-4 and 40-23-62, Code of Alabama 1975, as amended by Act 2017-397 of the 2017 Regular Session, relating to sales and use tax exemptions, to exempt the gross proceeds from the sales of gold, silver, platinum, and palladium bullion, and money from sales and use tax for five years.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 40-23-4 and 40-23-62, Code of Alabama 1975, as amended by Act 2017-397 of the 2017 Regular Session, are amended to read as follows:

"§40-23-4.

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

"(1) The gross proceeds of the sales of lubricating oil and gasoline as defined in Sections 40-17-30 and 40-17-170 and the gross proceeds from those sales of lubricating oil destined for out-of-state use which are transacted in a manner whereby an out-of-state purchaser takes delivery of such oil

1 at a distributor's plant within this state and transports it
2 out-of-state, which are otherwise taxed.

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

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

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

20 "(5) The gross proceeds of sales of all livestock by
21 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 "(6) Cottonseed meal exchanged for cottonseed at or
7 by cotton gins.

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

22 "(8) The gross proceeds of sales or gross receipts
23 of or by any person, firm, or corporation, from the sale of
24 transportation, gas, water, or electricity, of the kinds and
25 natures, the rates and charges for which, when sold by public

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

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

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

1 registered with the U.S. Coast Guard and licensed by the State
2 of Alabama Department of Conservation and Natural Resources.

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

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

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

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

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

20 "(13) The gross proceeds of the sale or sales of
21 materials, equipment, and machinery which, at any time, enter
22 into and become a component part of ships, vessels, towing
23 vessels or barges, or drilling ships, rigs or barges, or
24 seismic or geophysical vessels, other watercraft and
25 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
15 fuel 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 within the State of Alabama, independent school boards within
20 the State of Alabama, all educational institutions and
21 agencies of the State of Alabama, the counties within the
22 state, or any incorporated municipalities of the State of
23 Alabama, and private educational institutions operating within
24 the State of Alabama offering conventional and traditional
25 courses of study, such as those offered by public schools,

1 colleges, or universities within the State of Alabama; but not
2 including nurseries, day care centers, and home schools.

3 "(16) The gross proceeds from the sale of all
4 devices or facilities, and all identifiable components
5 thereof, or materials for use therein, acquired primarily for
6 the control, reduction, or elimination of air or water
7 pollution and the gross proceeds from the sale of all
8 identifiable components of or materials used or intended for
9 use in structures built primarily for the control, reduction,
10 or elimination of air and water pollution.

11 "(17) The gross proceeds of sales of tangible
12 personal property or the gross receipts of any business which
13 the state is prohibited from taxing under the Constitution or
14 laws of the United States or under the Constitution of this
15 state.

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

23 "(19) The gross proceeds received from the sale or
24 furnishing of food, including potato chips, candy, fruit and
25 similar items, soft drinks, tobacco products, and stationery

1 and other similar or related articles by hospital canteens
2 operated by Alabama state hospitals at Bryce Hospital and
3 Partlow State School for Mental Deficients at Tuscaloosa,
4 Alabama, and Searcy Hospital at Mt. Vernon, Alabama, for the
5 benefit of the patients therein.

6 "(20) The gross proceeds of the sale, or sales, of
7 wrapping paper and other wrapping materials when used in
8 preparing poultry or poultry products for delivery, shipment,
9 or sale by the producer, processor, packer, or seller of such
10 poultry or poultry products, including pallets used in
11 shipping poultry and egg products, paper or other materials
12 used for lining boxes or other containers in which poultry or
13 poultry products are packed together with any other materials
14 placed in such containers for the delivery, shipment, or sale
15 of poultry or poultry products.

16 "(21) The gross proceeds of the sales of all
17 antibiotics, hormones and hormone preparations, drugs,
18 medicines or medications, vitamins, minerals or other
19 nutrients, and all other feed ingredients including
20 concentrates, supplements, and other feed ingredients when
21 such substances are used as ingredients in mixing and
22 preparing feed for fish raised to be sold on a commercial
23 basis, livestock, and poultry. Such exemption herein granted
24 shall be in addition to exemptions now provided by law for
25 feed for fish raised to be sold on a commercial basis,

1 livestock, and poultry, but not including prepared foods for
2 dogs or cats.

3 "(22) The gross proceeds of the sale, or sales, of
4 seedlings, plants, shoots, and slips which are to be used for
5 planting vegetable gardens or truck farms and other
6 agricultural purposes. Nothing herein shall be construed to
7 exempt, or exclude from the computation of the tax levied,
8 assessed, or payable, the gross proceeds of the sale, or the
9 use of plants, seedlings, shoots, slips, nursery stock, and
10 floral products, except as hereinabove exempted.

11 "(23) The gross proceeds of the sale, or sales, of
12 fabricated steel tube sections, when produced and fabricated
13 in this state by any person, firm, or corporation for any
14 vehicular tunnel for highway vehicular traffic, when sold by
15 the manufacturer or fabricator thereof, and also the gross
16 proceeds of the sale, or sales, of steel which enters into and
17 becomes a component part of such fabricated steel tube
18 sections of said tunnel.

19 "(24) The gross proceeds from sales of admissions to
20 any theatrical production, symphonic or other orchestral
21 concert, ballet, or opera production when such concert or
22 production is presented by any society, association, guild, or
23 workshop group, organized within this state, whose members or
24 some of whose members regularly and actively participate in
25 such concerts or productions for the purposes of providing a

1 creative outlet for the cultural and educational interests of
2 such members, and of promoting such interests for the
3 betterment of the community by presenting such productions to
4 the general public for an admission charge. The employment of
5 a paid director or conductor to assist in any such
6 presentation described in this subdivision shall not be
7 construed to prohibit the exemptions herein provided.

8 "(25) The gross proceeds of sales of herbicides for
9 agricultural uses by whomsoever sold. The term herbicides, as
10 used in this subdivision, means any substance or mixture of
11 substances intended to prevent, destroy, repel, or retard the
12 growth of weeds or plants. It shall include preemergence
13 herbicides, postemergence herbicides, lay-by herbicides,
14 pasture herbicides, defoliant herbicides, and desiccant
15 herbicides.

16 "(26) The Alabama Chapter of the Cystic Fibrosis
17 Research Foundation and the Jefferson Tuberculosis Sanatorium
18 and any of their departments or agencies, heretofore or
19 hereafter organized and existing in good faith in the State of
20 Alabama for purposes other than for pecuniary gain and not for
21 individual profit, shall be exempted from the computation of
22 the tax on the gross proceeds of all sales levied, assessed,
23 or payable.

24 "(27) The gross proceeds from the sale or sales of
25 fuel for use or consumption aboard commercial fishing vessels

1 are hereby exempt from the computation of all sales taxes
2 levied, assessed, or payable under the provisions of this
3 division or levied under any county or municipal sales tax
4 law.

5 The words commercial fishing vessels shall mean
6 vessels whose masters and owners are regularly and exclusively
7 engaged in fishing as their means of livelihood.

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

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

22 "(30) The gross proceeds of the sale or sales of all
23 medicines prescribed by physicians for persons who are 65
24 years of age or older, and when said prescriptions are filled
25 by licensed pharmacists, shall be exempted under this division

1 or under any county or municipal sales tax law. The exemption
2 provided in this section shall not apply to any medicine
3 purchased in any manner other than as is herein provided.

4 "For the purposes of this subdivision, proof of age
5 may be accomplished by filing with the dispensing pharmacist
6 any one or more of the following documents:

7 "a. The name and claim number as shown on a
8 "Medicare" card issued by the United States Social Security
9 Administration.

10 "b. A certificate executed by any adult person
11 having knowledge of the fact that the person for whom the
12 medicine was prescribed is not less than 65 years of age.

13 "c. An affidavit executed by any adult person having
14 knowledge of the fact that the person for whom the medicine
15 was prescribed is not less than 65 years of age.

16 "For the purposes of this subdivision, any person
17 filing a false proof of age shall be guilty of a misdemeanor
18 and upon conviction thereof shall be punished by a fine of
19 \$100.

20 "(31) There shall be exempted from the tax levied by
21 this division the gross receipts of sales of grass sod of all
22 kinds and character when in the original state of production
23 or condition of preparation for sale, when such sales are made
24 by the producer or members of his family or for him by those
25 employed by him to assist in the production thereof; provided,

1 that nothing herein shall be construed to exempt sales of sod
2 by a person engaged in the business of selling plants,
3 seedlings, nursery stock, or floral products.

4 "(32) The gross receipts of sales of the following
5 items or materials which are necessary in the farm-to-market
6 production of tomatoes when such items or materials are used
7 by the producer or members of his family or for him by those
8 employed by him to assist in the production thereof: Twine for
9 tying tomatoes, tomato stakes, field boxes (wooden boxes used
10 to take tomatoes from the fields to shed), and tomato boxes
11 used in shipments to customers.

12 "(33) The gross proceeds from the sale of liquefied
13 petroleum gas or natural gas sold to be used for agricultural
14 purposes.

15 "(34) The gross receipts of sales from state
16 nurseries of forest tree seedlings.

17 "(35) The gross receipts of sales of forest tree
18 seed by the state.

19 "(36) The gross receipts of sales of Lespedeza
20 bicolor and other species of perennial plant seed and
21 seedlings sold for wildlife and game food production purposes
22 by the state.

23 "(37) The gross receipts of any aircraft
24 manufactured, sold, and delivered in this state if said

1 aircraft are not permanently domiciled in Alabama and are
2 removed to another state.

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

5 "(39) The gross proceeds from sales of admissions to
6 any sporting event which:

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

9 "b. Is hosted by a not-for-profit corporation
10 organized and existing under the laws of the State of Alabama;
11 and

12 "c. Determines a national championship of a national
13 organization, including but not limited to the Professional
14 Golfers Association of America, the Tournament Players
15 Association, the United States Golf Association, the United
16 States Tennis Association, and the National Collegiate
17 Athletic Association; and

18 "d. Has not been held in the State of Alabama on
19 more than one prior occasion, provided, however, that for such
20 purpose the Professional Golfers Association Championship, the
21 United States Open Golf Championship, the United States
22 Amateur Golf Championship of the United States Golf
23 Association, and the United States Open Tennis Championship
24 shall each be treated as a separate event.

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

11 "a. There originates from the location 15 or more
12 flight departures and five or more different first-stop
13 destinations five days per week for six or more months during
14 the calendar year; and

15 "b. Passengers and/or property are regularly
16 exchanged at the location between flights of the same or a
17 different certificated or licensed air carrier.

18 "(41) The gross receipts from the sale of hot or
19 cold food and beverage products sold to or by a certificated
20 or licensed air carrier with a hub operation within this
21 state, for use in conducting intrastate, interstate, or
22 foreign commerce for transporting people or property by air.
23 For the purpose of this subdivision, the words "hub operation
24 within this state" shall be construed to have all of the
25 following criteria:

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

5 "b. Passengers and/or property are regularly
6 exchanged at the location between flights of the same or a
7 different certificated or licensed air carrier.

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

14 "a. Air Carrier. Any person, firm, corporation, or
15 entity undertaking by any means, directly or indirectly, to
16 provide air transportation.

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

21 "c. International Commerce. Any air carrier engaged
22 in all-cargo operations transporting goods for compensation or
23 hire on international flights.

24 "d. International Flights. Any air carrier
25 conducting scheduled all-cargo operations between any point

1 within the 50 states of the United States and the District of
2 Columbia and any point outside the 50 states of the United
3 States and the District of Columbia, including any interim
4 stops within the United States so long as the ultimate origin
5 or destination of the aircraft is outside the United States
6 and the District of Columbia.

7 "(43) The gross proceeds of the sale or sales of the
8 following:

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

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

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

21 "d. Drilling equipment that is used for the
22 exploration for or production of oil, gas, sulphur, or other
23 minerals, that is built for exclusive use outside this state
24 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 "(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

1 section shall be limited to those games and operations by
2 organizations which have qualified for exemption under the
3 provisions of 26 U.S.C. § 501 (c) (3), (4), (7), (8), (10), or
4 (19), or which are defined in 26 U.S.C. § 501(d).

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

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

12 "(47) The gross receipts from the sale or sales of
13 metal, other than gold or silver, when such metal is purchased
14 for the purpose of transferring such metal to an investment
15 trust in exchange for shares or other units, each of which are
16 both publicly traded and represent fractional undivided
17 beneficial interests in the trust's net assets, including
18 metal stored in warehouses located in this state, as well as
19 the gross proceeds from the sale or other transfer of such
20 metal to or from such investment trust in exchange for shares
21 or other units that are publicly traded and represent
22 fractional undivided beneficial interests in the trust's net
23 assets but not to the extent that metal is transferred to or
24 from the investment trust in exchange for consideration other
25 than such publicly traded shares or other units. For purposes

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

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

16 "(49) The gross proceeds from the sale or sales
17 within school buildings of lunches to pupils of kindergarten,
18 grammar, and high schools, either public or private, that are
19 not sold for profit.

20 "(50) The gross proceeds of services provided by
21 photographers, including but not limited to sitting fees and
22 consultation fees, even when provided as part of a transaction
23 ultimately involving the sale of one or more photographs, so
24 long as the exempt services are separately stated to the
25 customer on a bill of sale, invoice, or like memorialization

1 of the transaction. For transactions occurring before October
2 1, 2017, neither the Department of Revenue nor local tax
3 officials may seek payment for sales tax not collected. With
4 regard to such transactions in which sales tax was collected
5 and remitted on services provided by photographers, neither
6 the taxpayer nor the entity remitting sales tax shall have the
7 right to seek refund of such tax.

8 "(51) a. For the period commencing on the effective
9 date of the act adding this subdivision, and ending five years
10 thereafter, unless extended by an act of the Legislature, the
11 gross proceeds of sales of bullion or money, as defined in
12 Section 40-1-1(7).

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

15 "1. BULLION. Gold, silver, platinum, palladium, or a
16 combination of each precious metal, that has gone through a
17 refining process and for which the item's value depends on its
18 mass and purity, and not on its form, numismatic value, or
19 other value. The term includes bullion in the form of bars,
20 ingots, or coins that meet the requirements set forth above.
21 Qualifying bullion may contain other metals or substances,
22 provided that the other substances are minimal in value
23 compared with the value of the gold, silver, platinum, or
24 palladium and the other substances do not add value to the
25 item. For purposes of this subparagraph, "gold, silver,

1 platinum, or palladium" does not include jewelry or works of
2 art.

3 "2. MASS PURITY. An item's mass is its weight in
4 precious metal, and its purity is the amount of precious metal
5 contained within the item.

6 "3. NUMISMATIC VALUE. An external value above and
7 beyond the base value of the underlying precious metal, due to
8 the item's rarity, condition, age, or other external factor.

9 "c. In order for bullion to qualify for the sales
10 tax exemption, gold, silver, platinum, and palladium items
11 must meet all of the following requirements:

12 "1. Must be refined.

13 "2. Must contain at least ninety percent gold,
14 silver, platinum, or palladium or some combination of these
15 metals.

16 "3. The sales price of the item must fluctuate with
17 and depend on the market price of the underlying precious
18 metal, and not on the item's rarity, condition, age, or other
19 external factor.

20 "(b) Any violation of any provision of this section
21 shall be punishable in a court of competent jurisdiction by a
22 fine of not less than ~~\$500~~ five hundred dollars (\$500) and no
23 more than ~~\$2,000~~ two thousand dollars (\$2,000) and
24 imprisonment of not less than six months nor more than one
25 year in the county jail.

"§40-23-62.

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

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

"(2) Property, the storage, use, or other consumption of which this state is prohibited from taxing under the Constitution or laws of the United States of America or under the constitution of this state.

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

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

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

1 "(6) All seeds for planting purposes and baby chicks
2 and poult; provided, that nothing herein shall be construed
3 to exempt plants, seedlings, nursery stock or floral products.

4 "(7) Insecticides and fungicides and feed for
5 livestock and poultry, but not including prepared foods for
6 dogs and cats.

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

18 "(9) Cottonseed meal exchanged for cottonseed at or
19 by cotton gins.

20 "(10) Transportation, gas, water, or electricity, of
21 the kinds and natures, the rates and charges for which when
22 sold by public utilities, are customarily fixed and determined
23 by the Public Service Commission of Alabama or like regulatory
24 bodies.

1 "(11) Coal or coke to be stored, used, or consumed
2 by manufacturers, electric power companies and transportation
3 companies for use or consumption in the production of
4 by-products or the generation of heat or power used:

5 "a. In manufacturing tangible personal property for
6 sale;

7 "b. For the generation of electric power or energy
8 for use in manufacturing tangible personal property for sale
9 or for resale; or

10 "c. For the generation of motive power for
11 transportation.

12 "(12) Fuel and supplies for use or consumption
13 aboard ships, vessels, towing vessels, or barges, or drilling
14 ships, rigs or barges, or seismic or geophysical vessels, or
15 other watercraft (herein for purposes of this exemption being
16 referred to as vessels) engaged in foreign or international
17 commerce or in interstate commerce; provided, that nothing in
18 this article shall be construed to exempt or exclude from the
19 measure of the tax herein levied the gross proceeds of sale or
20 sales of material and supplies to any person for use in
21 fulfilling a contract for the painting, repair or
22 reconditioning of vessels, barges, ships, 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. 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 form
16 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 "(13) Property stored, used, or consumed by the
9 State of Alabama, by the counties within the state or by
10 incorporated municipalities of the State of Alabama.

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

1 compasses, anchor and radar reflectors, general alarm systems,
2 bilge pumps, piping, and discharge and electronic position
3 fixing devices on the aforementioned watercraft.

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

7 "(16) Tangible personal property stored, used, or
8 consumed by county and city school boards within the State of
9 Alabama, independent school boards within the State of
10 Alabama, all educational institutions and agencies of the
11 State of Alabama, the counties within the state or any
12 incorporated municipality of the State of Alabama, and private
13 educational institutions operating within the State of Alabama
14 offering conventional and traditional courses of study, such
15 as those offered by public schools, colleges, or universities
16 within the State of Alabama; but not including nurseries, day
17 care centers, and home schools.

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

24 "(18) The storage, use, or consumption of all
25 devices or facilities, and all identifiable components thereof

1 or materials for use therein, used or placed in operation
2 primarily for the control, reduction or elimination of air or
3 water pollution, and the storage, use, or consumption of all
4 identifiable components of or materials used or intended for
5 use in structures built primarily for the control, reduction
6 or elimination of air or water pollution.

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

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

23 "(21) The storage, use, or other consumption of
24 wrapping paper and other wrapping materials when used in
25 preparing poultry or poultry products for delivery, shipment

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

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

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

24 "(24) Fabricated steel tube sections, when produced
25 and fabricated in this state by any person, firm, or

1 corporation, for any vehicular tunnel for highway vehicular
2 traffic, when sold by the manufacturer or fabricator thereof,
3 and also steel which enters into and becomes a component part
4 of such fabricated steel tube sections of said tunnel, shall
5 be exempted from the provisions of this article and from the
6 computation of the amount of the tax levied, assessed or
7 payable under this article.

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

16 "(26) The Alabama Chapter of the Cystic Fibrosis
17 Research Foundation, and the Jefferson Tuberculosis Sanatorium
18 and any of their departments or agencies, heretofore or
19 hereafter organized and existing in good faith in the State of
20 Alabama for purposes other than for pecuniary gain and not for
21 individual profit, shall be exempted from the payment of the
22 state use tax levied under this article.

23 "(27) Fuel for use or consumption aboard commercial
24 fishing vessels are hereby exempt from the payment of the

1 state use tax levied under this article, or levied under any
2 county or municipal use tax law.

3 "The words commercial fishing vessels shall mean
4 vessels whose masters and owners are regularly and exclusively
5 engaged in fishing as their means of livelihood.

6 "(28) The storage, use, or withdrawal of sawdust,
7 wood shavings, wood chips, and other like materials purchased
8 for use as chicken litter by poultry producers and poultry
9 processors shall be exempt under this article.

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

22 "(30) All medicines prescribed by physicians for
23 persons who are 65 years of age or older, and when said
24 prescriptions are filled by licensed pharmacists, shall be
25 exempted from the operation of the state use tax law levied by

1 this article, or by any county or municipal use tax law. The
2 exemptions provided in this subdivision shall not apply to any
3 medicine purchased in any manner other than as is herein
4 provided.

5 "For the purposes of this subdivision, proof of age
6 may be accomplished by filing with the dispensing pharmacist
7 any one or more of the following documents:

8 "a. The name and claim number as shown on a
9 "Medicare" card issued by the United States Social Security
10 Administration.

11 "b. A certificate executed by any adult person
12 having knowledge of the fact that the person for whom the
13 medicine was prescribed is not less than 65 years of age.

14 "c. An affidavit executed by any adult person having
15 knowledge of the fact that the person for whom the medicine
16 was prescribed is not less than 65 years of age.

17 "For the purposes of this subdivision any person
18 filing a false proof of age shall be guilty of a misdemeanor
19 and upon conviction thereof shall be punished by a fine of
20 \$100.

21 "(31) All diesel fuel used for off-highway
22 agricultural purposes.

23 "(32) The storage, use, or other consumption of any
24 aircraft and replacement parts, components, systems, supplies
25 and sundries affixed or used on said aircraft and ground

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

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

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

15 "(33) The storage, use, or other consumption of any
16 aviation jet fuel used by an aircraft operated by a
17 certificated or licensed air carrier that purchases jet fuel
18 for use in scheduled all-cargo operations being conducted on
19 international flights or in international commerce. For
20 purposes of this subdivision, the following words or terms
21 shall be defined and interpreted as follows:

22 "a. Air Carrier. Any person, firm, corporation, or
23 entity undertaking by any means, directly or indirectly, to
24 provide air transportation.

1 "b. All-Cargo Operations. Any flight conducted by an
2 air carrier for compensation or hire other than a passenger
3 carrying flight, except passengers as specified in 14 C.F.R.
4 §121.583(a) or 14 C.F.R. §135.85, as amended.

5 "c. International Commerce. Any air carrier engaged
6 in all-cargo operations transporting goods for compensation or
7 hire on international flights.

8 "d. International Flights. Any air carrier
9 conducting scheduled all-cargo operations between any point
10 within the 50 states of the United States and the District of
11 Columbia and any point outside the 50 states of the United
12 States and the District of Columbia, including any interim
13 stops within the United States so long as the ultimate origin
14 or destination of the aircraft is outside the United States
15 and the District of Columbia.

16 "(34) The storage, use, or other consumption of hot
17 or cold food and beverage products by a certificated or
18 licensed air carrier with a hub operation within this state,
19 for use in conducting intrastate, interstate, or foreign
20 commerce for transporting people or property by air. For the
21 purpose of this subdivision, the words "hub operation within
22 this state" shall be construed to have all of the following
23 criteria:

24 "a. There originates from the location 15 or more
25 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 "b. 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 "(35) The storage, use, or other consumption of the
7 following:

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

11 "b. Tangible personal property exclusively used for
12 the exploration for or production of oil, gas, sulphur, or
13 other minerals in offshore federal waters.

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

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

24 "e. All domestically mined or produced coal, coke,
25 and coke by-products used in cogeneration plants in Alabama.

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 "(36) The storage or use of metal, other than gold
16 or silver, when such metal is held by an investment trust the
17 shares or other units in the trust's net assets of which have
18 been issued in exchange for such metal and are publicly
19 traded, including metal stored in warehouses located in this
20 state. For purposes of this subdivision, the term metals
21 includes, but is not limited to, copper, aluminum, nickel,
22 zinc, tin, lead, and other similar metals typically used in
23 commercial and industrial applications.

24 "(37) For the period commencing October 1, 2012, and
25 ending May 30, 2022, unless extended by joint resolution, all

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

9 "(38) Lunches sold not for profit and within school
10 buildings to pupils of kindergarten, grammar, and high
11 schools, either public or private.

12 "(39) Services provided by photographers, including
13 but not limited to sitting fees and consultation fees, even
14 when provided as a part of a transaction ultimately involving
15 the sale of one or more photographs, so long as the exempt
16 services are separately stated to the customer on a bill of
17 sale, invoice, or like memorialization of the transaction. For
18 transactions occurring before October 1, 2017, neither the
19 Department of Revenue nor local tax officials may seek payment
20 for use tax not collected. With regard to such transactions in
21 which use tax was collected and remitted on services provided
22 by photographers, neither the taxpayer nor the entity
23 remitting use tax shall have the right to seek refund of such
24 tax.

1 "(40) a. For the period commencing on the effective
2 date of the act adding this subdivision, and ending five years
3 thereafter, unless extended by act of the Legislature, the
4 gross proceeds of sales of bullion or money, as defined in
5 Section 40-1-1(7).

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

8 "1. BULLION. Gold, silver, platinum, palladium, or a
9 combination of each precious metal, that has gone through a
10 refining process and for which the item's value depends on its
11 mass and purity, and not on its form, numismatic value, or
12 other value. The term includes bullion in the form of bars,
13 ingots, or coins that meet the requirements set forth above.
14 Qualifying bullion may contain other metals or substances,
15 provided that the other substances are minimal in value
16 compared with the value of the gold, silver, platinum, or
17 palladium and the other substances do not add value to the
18 item. For the purposes of this subparagraph, "gold, silver,
19 platinum, or palladium" does not include jewelry or works of
20 art.

21 "2. MASS PURITY. An item's mass is its weight in
22 precious metal, and its purity is the amount of precious metal
23 contained within the item.

1 "3. NUMISMATIC VALUE. An external value above and
2 beyond the base value of the underlying precious metal, due to
3 the item's rarity, condition, age, or other external factor.

4 "c. In order for bullion to qualify for the use tax
5 exemption, gold, silver, platinum, and palladium items must
6 meet all of the following requirements:

7 "1. Must be refined.

8 "2. Must contain at least ninety percent gold,
9 silver, platinum, or palladium or some combination of these
10 metals.

11 "3. The sales price of the item must fluctuate with
12 and depend on the market price of the underlying precious
13 metal, and not on the item's rarity, condition, age, or other
14 external factor."

15 Section 2. The entities receiving the exemptions
16 provided by this act shall file an annual informational report
17 in a manner prescribed by the department. The information on
18 the reports shall be consistent with the information required
19 by the department pursuant to Section 40-9-61, Code of Alabama
20 1975, and rules adopted thereunder. Information provided
21 pursuant to this section is exempted from the confidentiality
22 provisions of Section 40-2A-10, Code of Alabama 1975, and
23 shall be provided by the department to the Legislative
24 Services Agency, Fiscal Division, on an annual basis.

1 Section 3. This act shall become effective on the
2 first day of the third month following its passage and
3 approval by the Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB156
Senate 08-FEB-18
I hereby certify that the within Act originated in and passed
the Senate.

Patrick Harris,
Secretary.

House of Representatives
Passed: 22-FEB-18

By: Senator Melson