

Sales/Use/Indirect:

Alabama Appellate Court Affirms Dealer's Sales of Prepaid Wireless Service Plans are Not Taxable

Case No. CV-21-900658, Ala. Civ. App. (5/12/23). The Alabama Court of Civil Appeals (Court) affirmed that an in-state authorized dealer for a prepaid wireless service provider did *not* owe Alabama sales taxes on funds it received from customers of the wireless service provider as prepayments for the provider's wireless service because, among other reasons, such sales were not considered taxable under state law in effect for the prior years at issue. Pursuant to state law in effect for the prior years at issue, the Court concluded that Alabama sales tax was only imposed on long distance telephone cards and pin numbers used to make long-distance phone calls. Please contact us with any questions.

URL: <https://acis.alabama.gov/displaydocs.cfm?no=1127307&event=6M60L9ZB1>

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