

WARD INTERNATIONAL TRUCKS, INC.
P.O. Box 5375
Mobile, AL 36605,

STATE OF ALABAMA
DEPARTMENT OF REVENUE
ADMINISTRATIVE LAW DIVISION

Taxpayer,

DOCKET NO. S. 00-216

v.

STATE OF ALABAMA
DEPARTMENT OF REVENUE.

FINAL ORDER

The Revenue Department assessed sales tax against Ward International Trucks, Inc. (Taxpayer) for July 1996 through June 1999. The Taxpayer appealed to the Administrative Law Division pursuant to Code of Ala. 1975, § 40-2A-7(b)(5)a. The parties submitted the case on a joint stipulation of facts. Bob Galloway represented the Taxpayer. Assistant Counsel Duncan Crow represented the Department.

The Taxpayer sold trucks and school buses to various municipalities of the State of Mississippi during the subject period. The sales occurred in Alabama. The issue is whether the sales were exempt from Alabama sales tax pursuant to Code of Ala. 1975, § 40-23-4(a)(15). That statute exempts the following:

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

The Taxpayer claims that the above statute must be construed to exempt sales to county and city school boards in all states, not just county and city school boards in Alabama. The Taxpayer's argument is irrelevant, however, because the sales in issue were to municipalities in Mississippi, not county or city school boards in Mississippi. Section 40-23-4(a)(15) clearly exempts only incorporated municipalities of the State of

Alabama.® Consequently, the exemption does not apply to the sales in issue.

The final assessment is affirmed. Judgment is entered against the Taxpayer for \$2,393.37. Additional interest is also due from the date of entry of the final assessment, February 23, 2000.

This Final Order may be appealed to circuit court within 30 days pursuant to Code of Ala. 1975, ' 40-2A-9(g).

Entered November 16, 2000.