

Alabama Sales Tax Info Sheet

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State Sales Tax

Local Sales Tax

Alabama has a statewide sales tax rate of **4%**, which was introduced in 1936. This data sheet was last updated in February 2024 by [SalesTaxHandbook.com](#).

What is exempt from sales taxes in Alabama?

Many states have special sales tax rates that apply to the purchase of certain types of goods, or fully exempt them from the sales tax altogether. Here's how Alabama taxes five types of commonly-exempted goods:

Clothing



Groceries



Prepared Food



Prescription Drugs



OTC Drugs



Are services subject to sales tax in Alabama?

"Goods" refers to the sale of tangible personal property, which are generally taxable. "Services" refers to the sale of labor or non-tangibles. In Alabama, services are generally not taxable. To learn more, see [salestaxhandbook.com/alabama/sales-tax-taxability#services](#).

Local Sales Taxes in Alabama

Municipal governments in Alabama are also allowed to collect a **local-option sales tax** that ranges from 0% to 8.5% across the state, with an average local tax of 5.113% (for a total of 9.11% when combined with the state sales tax). The maximum local tax rate allowed by Alabama law is 7%. Below are listed local sales tax rates for the five largest cities in Alabama. You can find other Alabama city and county sales tax rates at [salestaxhandbook.com/alabama/rates](#).

City Name	State Rate	County Rate	City Rate	Special Rate	Combined Rate
* Birmingham, AL	4%	1%	4%	1%	10%
* Mobile, AL	4%	1%	5%	N/A	10%
* Montgomery, AL	4%	2.5%	3.5%	N/A	10%
* Huntsville, AL	4%	0.5%	4.5%	N/A	9%
Madison, AL	4%	2%	4.5%	N/A	10.5%

To learn more, visit the Alabama Sales Tax Handbook at [SalesTaxHandbook.com/Alabama](#)