

ALABAMA TAX TRIBUNAL

THE AUXILIARY OF
BIG OAK RANCH, INC.,

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Taxpayer,

§

DOCKET NO. S. 24-0661-JP

v.

§

STATE OF ALABAMA
DEPARTMENT OF REVENUE.

§

FINAL ORDER

This appeal involves the denial by the Alabama Department of Revenue of a request by The Auxiliary of Big Oak Ranch, Inc. (Taxpayer), for a certificate of exemption concerning state sales tax. A trial was held on August 13, 2025. The Taxpayer was represented by Ms. Kristi Wilson and Ms. Cheryl Joynt. The Revenue Department was represented by Ms. Ryan Corley, and Ms. Johnetta Robinson also appeared on behalf of the Revenue Department.

The facts are undisputed. Specifically, the Taxpayer was incorporated in Alabama in 2006 for the purpose of supporting the charitable work of The Big Oak Ranch, Inc., which itself “is exempted from paying or collecting any state, county, and municipal sales and use taxes.” *See* Ala. Code § 40-9-25.13. For federal income tax purposes, the Taxpayer is designated by the Internal Revenue Service as a tax-exempt entity pursuant to Internal Revenue Code § 501(c).

The Taxpayer purchases supplies at retail that it then donates to The Big Oak Ranch for the benefit of abused and abandoned children who now call The Big Oak Ranch home. The Taxpayer also donates money to The Big Oak Ranch for the benefit

of the children. The donated supplies are made available to boys through an Outfitters “shop” and to girls through The Boutique, based on a points system involving academic achievement and good behavior. All such items are provided by the Taxpayer solely to assist The Big Oak Ranch in its ministry efforts.

Based on the specific sales and use tax exemption of The Big Oak Ranch in § 40-9-25.13, the Taxpayer contends that its purchases for the benefit of The Big Oak Ranch also should be exempt from such taxes. As stated, however, purchases by The Big Oak Ranch are exempt from sales and use taxes because Alabama’s legislature declared them to be exempt. However, there has been no enactment of a legislative exemption for purchases by the Taxpayer. And the two charitable organizations are separate legal entities. Therefore, the statutory exemption of The Big Oak Ranch does not cover purchases made by the Taxpayer.

The work of the Taxpayer and of The Big Oak Ranch is highly commendable. But the Tax Tribunal has no legal authority to rule that the Taxpayer is entitled to an exemption certificate without an official declaration of the legislature that the Taxpayer is exempt from sales and use taxes.

Therefore, the Revenue Department’s denial of the Taxpayer’s application must be, and is, upheld.

It is so ordered.

This Final Order may be appealed to circuit court within 30 days. Ala. Code § 40-2B-2(m).

Entered August 14, 2025.

/s/ Jeff Patterson
JEFF PATTERSON
Chief Judge
Alabama Tax Tribunal

jp:ml

cc: Cheryl Joynt
Ryan N. Corley, Esq.