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**STATE BOARD OF EQUALIZATION**

April 1, 1953

REDACTED TEXT

Attention: REDACTED TEXT

Gentlemen:

Your letter of February 27 indicates that you do not have a correct understanding of the application of Ruling 40. You enclosed a copy of this ruling with a notation thereon that you are an organization relieving mental poverty and mental distress by the Bible literature which you distribute without charge.

If you will again refer to the ruling, you will note that organizations engaged in relief of poverty and distress and making sales as a matter of assistance to purchasers, although not liable for sales tax on their receipts from sales, are not exempt with respect to sales made by other vendors to the charitable organization. The fact that you donate your Bible literature places you in the same position as a charitable organization selling merchandise as a matter of assistance to purchasers. They, under Ruling 40, are the consumers of the merchandise and, to the extent it is purchased by the organization, the tax applies with respect to that purchase.

Not the following language in Paragraph 2 of Ruling 40:

“Tax applies to all sales of tangible personal property to charitable organizations not considered to be retailers”. As a donor you are not considered a retailer, but the sale of the donated articles to you is a retail sale and subject to tax.

We cannot authorize sales to you of material to be given away to be made without payment of sales tax. Such an authorization would be contrary to law. Whether or not the law should contain an exemption with respect to such sales is a matter of policy for determination by the State Legislature.

Very truly yours,

E. H. Stetson  
Tax Counsel

EHS:ph

P.S. See Ruling 50, enclosed, regarding periodical publications.