

M e m o r a n d u m**168.0040**

To: Fresno – Dist. Admin.

Date: June 3, 1965

From: Tax Counsel (PM)

Subject: [X]

This is in reply to your memo of April 15 regarding the taxability of coin transactions.

It is our opinion that the tax does not apply to coins which are acquired for use as a medium of exchange, even though the purchaser may pay an amount exceeding the face value (e.g., \$53.00 for \$50.00 worth of coins). On the other hand, we believe the tax does apply to the entire charge for coins which are purchased at a premium for any other purpose, as where a purchaser acquires a quantity of coins in hopes of finding some collectors' items or of realizing an appreciation in value. In such an instance, the coins are not being transferred as a medium of exchange and they are not being acquired for this purpose. We therefore believe it is proper to regard them as tangible personal property within the meaning of the Sales and Use Tax Law.

PM:md [lb]