



STATE BOARD OF EQUALIZATION

February 16, 1950

W--- C--- of A---
XXXX --- --- Street
---, Illinois

Attention: Mr. F. D---
Vice-President

OS-U-XXX

Gentlemen:

It has come to our attention that in October of 1949 you completed performance of a contract with the F--- C--- C--- of [---] for the furnishing and installation in the church of reredos, the date of the contract being December 1, 1948. The question of the application of the California sales tax or use tax has been presented to us for our determination.

Following examination of the agreement and pertinent information obtained relative to this transaction, it is our opinion that in the performance of this contract you acted as a contractor for the construction of an improvement on or to real property, and, therefore, are considered the consumer of all of the tangible personal property entering into the complete reredos, or being used in any way in this State in the performance of the contract. Accordingly, the California use tax is applicable to the sales price to you of the tangible personal property purchased outside this State and used in this State in the fulfillment of this contract. The tax is measured by three per cent of the purchase price of such tangible personal property purchased July 1, 1949, or afterward, and at the rate of two and one-half per cent of such tangible personal property as may have been purchased prior to July 1, 1949.

Inasmuch as our records do not indicate that you file sales tax or use tax returns with us, we are enclosing herewith a form of consumer's use tax return for your use in reporting the purchase price of the tangible personal property subject to the use tax, as indicated herein. It is our understanding that the materials or pieces from which the reredos was assembled were shipped to Los Angeles in September of 1949. If this is correct, the due date of the tax was October 31, 1949, being the last day of the month following the close of the calendar quarter in which the property was first stored or used in this State, which the law prescribes as the time within which a return and payment must be made. For nonpayment within the required time, the law imposes a penalty of ten percent of the tax plus interest at one-half of one per cent per month, or fraction thereof, until the date of payment.

In the event some of the materials or parts were not shipped to this State until October of 1949, the tax thereon was not due until January 21, 1949, but since the question of the application of tax was presented to this office prior to that time we are granting you herewith an extension of time for one month, the maximum time the law permits us to grant, or until February 28, 1950, for the filing of a return for the fourth quarter of 1949. An additional form of consumer's use tax return is enclosed for reporting any tax that may be due for that quarter. Kindly attach the duplicate copy of this letter to that return in order to identify it as a return for which an extension of time has been granted. If the enveloped in which the return is forwarded is postmarked not later than February 28, 1950, it will be accepted as filed within the period of the extension.

Copies of the Sales and Use Tax Law, and Sales and Use Tax Ruling 11, Construction Contractors, are enclosed.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:fb

cc: Mr Dixwell L. Pierce
Mr. Wm. R. Thomson
Mr. F. A. Lagomarsino

cc: ---, ---, ---
Attorneys at Law
XXX --- --- Bank Building
--- --- XX, California