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**STATE BOARD OF EQUALIZATION**

December 12, 1960

C--- P--- B--- D---  
Post Office Box XXX  
--- X, California

--- Y -XXX  
Now: S- -- XX-XXXXXX

Attention: A. D. A---  
Production Manager

Gentlemen:

This is in reply to your inquiry regarding the applicability of sales tax to the sale of disposable pallets.

In our telephone conversation of December 9, you informed us that these pallets are constructed specifically for a customer who straps his clay products thereon for shipment. The pallets are of a cheap construction and are discarded after reaching the final destination.

Under these circumstances, we are of the opinion that these pallets may be classified as containers, and therefore are exempt from sales tax per Sales and Use Tax Ruling 49, copy enclosed.

If you should sell pallets of a more substantial construction which are returnable or may be reused by either your customer or the recipient of your customer's product, the tax would apply unless the purchaser of the pallet gives a resale certificate.

Very truly yours,

E. H. Stetson  
Tax Counsel

RG:gg  
Enclosure

cc: --- - Administrator  
--- --- - Administrator