



STATE BOARD OF EQUALIZATION

February 10, 1955

F--- E--- Co.
--- --- X, California

Attention: Mr. W--- M. C---
Controller

Re: Your letter of November 24,
1954
SY -- XX XXXXXX

Gentlemen:

You inquire concerning the application of the tax to merchandise which you deliver to certain contest winners in Northern California. The contest was held by the manufacturer of the merchandise which you delivered. You are the Northern California distributor of this merchandise and the manufacturer reimbursed you for this merchandise. This problem is covered by Ruling 72, copy enclosed.

Since the manufacturer is the person who conducts the contest and who awards the prizes, the manufacturer is the consumer of the prize merchandise. It is our opinion that you have made a sale of this merchandise to the manufacturer. Since the manufacturer is the consumer of this merchandise, your sale is at retail and is subject to the tax. The measure of the tax is the amount for which you were reimbursed by the manufacturer.

Very truly yours,

Bill Holden
Assistant Counsel

BH:tj

cc: San Francisco-Auditing