

Memorandum

315.0160

To: Mr. Robert Nunes

Date: July 23, 1968

From: T. P. Putnam

Subject: Application of Sales Tax to Labor in a Sporting Goods Store

In a footnote to your letter of July 22 to Mr. Dwight Geduldig, you suggested that we annotate the portion of the article attached to your letter which dealt with the installation of gun scopes. This letter to you will be annotated accordingly.

The mounting of a scope on a new gun constitutes fabrication labor and charges therefor are taxable as part of the sales. This is a step in the processing of the property. Tax would be imposed on the labor charge incurred in mounting a scope on a new gun even at a time subsequent to the sale of the scope and gun unless the mounting was done so long after the sale as not to be regarded as an essential part of or clearly connected with the sale and the gun had become a used gun.

On the other hand, the mounting of a scope on a customer's used gun constitutes installation labor and charges therefor are exempt.

TPP:kc [lb]