



STATE BOARD OF EQUALIZATION

April 16, 1954

G--- I--- W---, Inc.
P. O. Box XXX
---, California

Attention: Mr. E. W. S---

Your letter of March 19
Account No. --- XX XXXXXX

Gentlemen:

You inquire concerning the application of sales tax to your charges for re-babbitting a bearing.

It is our opinion that this is a repair operation and governed by Ruling 26 (copy enclosed). Since, in the case in question, you have made a lump-sum charge for labor and materials, you are the consumer of the materials if the value of the materials furnished is insignificant in relation to the total charge. If the value of the materials furnished is substantial in relation to the total charge, you are regarded as selling such materials and the tax applies to the fair retail selling price thereof.

Very truly yours,

Bill Holden
Assistant Counsel

BH:ja

cc: --- - Auditing