



STATE BOARD OF EQUALIZATION

August 30, 1956

Mr. N--- S---
Certified Public Accountant
XXX West --- Street
--- --- XX, California

SR -- XX XXXXXX
A--- Film Laboratories

Dear Mr. S---:

We have given consideration to your letter of July 24 from which it appears that A--- Film Laboratories, a processor of motion picture film, delivers the processed film to various television stations outside this state by air express. In other instances, taxpayer delivers the processed film to an employee or "expediter" hired by taxpayer's customer, S---, Inc. This employee would then deliver the film to the air express office.

Your question is whether delivery in this state to this employee of your customer results in sales tax applying to the processing charges notwithstanding the fact that the ultimate destination of the film is a television station outside this state.

It is our opinion, from the facts furnished use, that this constitutes delivery to the purchaser or his representative in this state under paragraph A2 (b) of the sales and use tax ruling 55. If taxpayer, in accordance with its agreement with its customer, delivers the film to the air express office consigned to an out-of-state destination, this meets the requirements of paragraph A1 (c) of ruling 55.

In the event you would like to discuss this problem with us should you believe there are additional facts that ought to be taken into account, we suggest you get in touch with our --- --- District Tax Administrator, Mr. Wm. R. Thomson, or someone in that office designated by him. Mr. Thomson or the Board representative designated by him will be glad to review the entire situation with you.

Very truly yours,

E. H. Stetson
Tax Counsel

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cc: --- --- - Compliance