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**STATE BOARD OF EQUALIZATION**

July 1, 1965

Gentlemen:

Your letter of June 8, 1965, addressed to Mr. Ford S. Dixon, State Board of Equalization in Pasadena, has been referred to this office for reply.

It is our understanding that an out-of-state owner of an aircraft engine and mount assembly (power package) has entered into agreements with your company to overhaul the engine and with a mounting repairman to repair the mount. The customer sends, by common carrier, the entire power package to the mount repairman who removes the engine. Pursuant to your contract with the customer, you obtain the engine from the mount repairman, overhaul it, and return it to the mount repairman. The repairman who has overhauled the mount reinstalls the overhauled engine and returns the power package via common carrier to the out-of-state customer.

As indicated in Sales Tax Ruling 55a(2) (c), sales tax applies to the sale of property which is sold and delivered to the purchaser or his representative in this state whether or not the intention of the purchaser is to transport the property outside the state and whether or not the property is actually so transported. Inasmuch as the mount repairman takes delivery of the overhauled engine as representative of the owner, the parts used to overhaul the engine are regarded as having been sold and delivered to a representative of the purchaser in this state. Accordingly, your sales of repair parts used in the overhaul of such engines are taxable retail sales.

Very truly yours,

George A. Trigueros  
Associate Tax Counsel

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