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February 27, 1997

E. L. SORENSEN, JR.
Executive Director

Mr. and Mrs. M--- W---
XXX --- --- Cr SW
Calgary, Alberta T3H 1A8
CANADA

Dear Mr. and Mrs. W---:

Your February 9, 1997 letter to Executive Director E. L. Sorensen, Jr., has been referred to the legal staff for reply.

You asked for assistance in resolving a claim for refund of sales tax reimbursement you paid on the purchase of a slide-in camper. We understand you purchased the camper from a retailer in this state which installed the camper on your truck, and you returned with your camper to Canada.

The California Sales and Use Tax Law imposes the sales tax directly on retailers at the applicable rate of the gross receipts from the retail sale of tangible personal property in this state. The retailer may collect reimbursement from the customer when the contract so provides. When you purchased a camper and took delivery of it in this state, the retailer's sale to you was subject to sales tax absent an applicable exemption.

There are two notable exemptions from tax for sales of property to persons for use outside this state. Revenue and Taxation Code section 6396 provides an exemption from sales tax for the sale of tangible personal property when the contract for sale requires the retailer to ship the property to a point outside this state, and the retailer does ship the property to the out-of-state point by the retailer's facilities or by delivery to a carrier for that shipment. Since the retailer of the camper did not ship the property to an out-of-state point, the exemption does not apply to the sale to you.

Revenue and Taxation Code section 6366.2 provides for an exemption from tax for the sale and use of a new motor vehicle sold to a purchaser who is a resident of a foreign country and who arranges for the purchase through an authorized vehicle dealer in the foreign country prior to arriving in the United States if the following conditions are met. First, the purchaser must obtain an in-transit permit pursuant to California Vehicle Code section 6700.1. Second,

before the in-transit permit expires, the retailer must ship or drive the motor vehicle to a point outside the United States. The exemption provided by section 6366.2 enables the purchaser to operate the motor vehicle in California for the period of the in-transit permit without payment of sales tax reimbursement or use tax on the purchase. Since the slide-in camper is not a "new motor vehicle," the sale could not qualify for exemption under section 6366.2.

If you have any further questions regarding the application of the California Sales and Use Tax Law, feel free to write directly to this office.

Sincerely,

Timothy W. Boyer
Chief Counsel

TWB:RLD:sr

cc: Out-of-State District Administrator - OH