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**STATE BOARD OF EQUALIZATION**

April 19, 1954

Your client is a Chevrolet dealer and recently sold a new automobile to a purchaser who resides in Manila. The purchaser was visiting in San Francisco at the time and the sales agreement required your client deliver the vehicle to the American President Lines SS "President Wilson". This is and he received the written report from the steamship company. The receipt is stamped "Auto Baggage" and the automobile was shipped as baggage of the purchaser.

The application of sales tax to sales in interstate and foreign commerce is governed by Ruling 55 (copy enclosed). The exemption set forth in A-1- (c) of that ruling is based on the Commerce Clause of the Federal Constitution. It is our opinion that that exemption does not apply to this transaction due to the fact that the purchaser apparently made all arrangements for shipment and we would regard delivery to the steamship company as delivery to the purchaser's agent.

However, we would regard the transaction exempt under A-1-(e) which paragraph is based on the Export Clause of the Federal Constitution and the case of *Richfield Oil Corporation v. State Board of Equalization*, 329 U.S. 69. The Export Clause creates a slightly broader exemption than the Commerce Clause. Apparently under the Export Clause the sale is exempt if the goods are started on the process of exportation.

Yours very truly,

Bill Holden  
Assistant Counsel

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Cc: San Francisco - Auditing