



STATE BOARD OF EQUALIZATION

November 13, 1968

Gentlemen:

This is in reply to your letter of November 1, 1968, asking for our opinion as to whether sales tax applies to the furnishing of a --- ---.

We understand that the --- --- --- is a compilation of the owners of real estate in San Francisco. It was first published in 1951 and has been published continuously since that time. It is used by many types of businesses but primarily by real estate brokers and their salesmen.

Each year the book is completely reprinted to keep the information updated and of value to its subscribers. During the month of January the new edition for the current year is delivered and the previous year's edition is picked up.

The agreement with each subscriber provides that the transaction is a lease; that the book remains the property of the publisher; that the subscriber shall not lend, sell, reprint, publish or copy the book or knowingly permit the use of the book by any person other than his own employees, tenant brokers or other office associates, at the subscriber's place of business; and that the subscriber shall return the book upon receipt of each subsequent edition or upon termination of the agreement.

The publisher has entered into a similar agreement with --- --- --- --- --- --- permitting --- to sublease the book to its members under the terms described above.

The publisher contracts with a printer to print the book. The book is supplied by the publisher to subscribers in exactly the same form as the book is in when sold by the printer to the publisher. The publisher pays sales tax reimbursement to the printer on all of the components of the book, including but not limited to the printing.

You ask whether the payments by the subscribers are subject to tax.

Based on the foregoing facts, and assuming that the terms of the agreements described herein are followed and enforced, the payments by subscribers are exempt from sales or use tax in accordance with ruling 70(c)(2)(F) as rental payments for property

acquired tax paid end leased in substantially the same form as acquired. The exemption extends to the subleases by MLS in accordance with ruling 70(c)(2)(H).

Very truly yours,

T. P. Putnam
Tax Counsel

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