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**STATE BOARD OF EQUALIZATION**

November 5, 1952

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Your letter of July 23  
Account Z-----

You inquire whether your understanding is correct that the sales tax applies to the charge made for the use of photographs by publication companies even though the photograph is obtained for reproduction purposes and even though the photograph is returned after one use. We are sorry that we temporarily mislaid your letter.

The sales tax applies only to sales of tangible personal property. For the purpose of the sales tax, however, certain leases and rentals, which are in lieu of sales, are treated as if they were sales. See the last sentence of the first paragraph of Sales and Use Tax Ruling 62 (copy enclosed). [Now see Regs. 1641 (b) and 1660( d). DJH 11/30/88].

We understand that in some cases, where a photographer allows a newspaper to use a photograph for reproduction purposes, the photograph is necessarily treated so harshly as not to be reusable after its return to the photographer. If such are the facts of a particular case, the transaction is regarded as a sale and the amount received by the photographer is subject to sales tax.

We enclose an extra copy of this letter and the ruling instead of writing to the Los Angeles Times directly. We are also requesting our Los Angeles office investigate this matter. One of our representatives from that office will contact you.

Yours very truly,

W.W. Mangels  
Assistant Counsel

NBH:ja

Cc: Los Angeles – Tax Administrator

It is possible that a large amount of transactions of the type described in the above letter take place. Please investigate and contact me.