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**STATE BOARD OF EQUALIZATION**

June 29, 1955

Gentlemen:

You inquire concerning the application of sales tax to the processing of color film. In the type of film you handle, the method is to develop the film to a negative and reverse it into a positive.

If it is ordinary film, it is then placed in a mount and returned to the customer. If it is motion picture film, it is wound on a light weight reel and returned to the customer.

In both cases, the entire charge is taxable, whether or not itemized. The developing of film by the reverse processing method is regarded as fabrication of customer furnished property and is therefore taxable under Ruling 15, copy enclosed. This is to be distinguished from the development of film by the use of a separate positive and negative, in which case tax does not apply to a separately stated charge for development of the negative.

Very truly yours,

Bill Holden  
Associate Tax Counsel

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