

M e m o r a n d u m**430.0380**

To: Mr. Donald J. Hennessy

Date: August 11, 1980

From: Philip R. Dougherty

Subject: Annotation 430.0380 Paste-ups

The BTLG annotation states: " 'Paste-ups' of reproduction proofs furnished to a customer are subject to tax. 11/26/63." This wording would seem to cover the situation in which only type matter was pasted up for the making of a direct copy of type matter: only, the sale of which would be a service.

The annotated letter of EHS clearly refers to the use of type matter which is pasted up in a mechanical containing art work, i.e., the addition of type matter to a paste-up which was already taxable, with the result that the type matter became part of the tangible personal property sold.

I suggest the wording of the annotation be changed. For instance, to: " 'Paste-ups' in which reproduction proofs are added to illustrations to create finished art are subject to tax measured by the sale price of the finished art, including any part of the sale price the seller of the finished art may attribute to typography."

PRD:ba