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**STATE BOARD OF EQUALIZATION**

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December 20, 1991

REDACTED TEXT

REDACTED TEXT

Dear REDACTED TEXT:

This is reply to your November 18, 1991 letter regarding the application of sales tax to your sales of printed sales messages. You note the following facts:

“Our company prepares ‘Printed Sales Messages’ for our customer (a retailer). The ‘Messages’ specifically are postcards advertising goods for sale by the purchaser. These mailing pieces are ‘printed to the special order’ of the purchaser and have either a first class or bulk mail indicia printed on the pieces to allow delivery by the U. S. Post Office.”

“The regulation implies that the purchaser can not take possession of the mailing pieces. Typically the purchaser has used their truck and driver to pick up the finished mailing pieces and has then delivered them to the mailing house for processing and delivery to the U. S. Post Office.”

Given this information, you asked whether your sale is exempt from sales tax under Sales and Use Tax Regulation 1541.5, Printed Sales Messages, if the purchaser provides supporting documentation, as described in subdivision (c)(2) of the regulation, that the purchaser delivers the finished mailing pieces directly to the mailing house for processing that meets the requirements for exemption.

No, if you deliver the printed sales messages to the purchaser, your sale is subject to sales tax regardless that the purchaser may immediately deliver the property to a mailing house. Subdivision (c)(2) of the regulation provides for an exemption certificate when the seller delivers the property to the mailing house. The mailing house may be one that has contracted with the

purchaser; however, you may not deliver the printed sales messages to the purchaser and consider the sale as exempt.

We hope this answers your questions; however, if you need further information, feel free to write again.

Very truly yours,

Ronald L. Dick  
Senior Tax Counsel

RLD:sr