

M e m o r a n d u m**465.0066**

To: Los Angeles District – District
Principal Auditor (JTQ)

Date: August 9, 1971

From: Tax Counsel (GLR) - Headquarters

Subject: Refund of Tax Paid to a 6015 Seller

Please refer to your memo of July 30, 1971 concerning the refund claim of tax paid to a 6015 retailer.

I view the payment to the 6015 retailer, by his so-called agent, as a prepayment of sales tax. Therefore, if the agent does not actually sell the property, i.e., he uses it, then the proper tax should only be on his cost of the merchandise rather than the expected selling price. Accordingly, a refund would be due on the difference between the agent's cost price and the expected retail selling price. This thinking is set forth in Mr. D---'s memo of June 12, 1970 to A--- B--- D---, copy enclosed.

Following this reasoning through, it is our opinion that if the property is destroyed that a refund would be allowed for the total amount paid by the agent to his 6015 retailer. I will leave to your judgment whether you wish to require the 6015 retailer to file the claim for refund or allow the agent to.

GLR:lb

Enclosure

cc: Mr. Robert Nunes
Mr. T. P. Putnam