

M e m o r a n d u m**495.0420**

To: Fresno – District Tax Administrator

Date: October 24, 1956

From: Headquarters – Sales Tax Counsel

Subject: [X]

We have reviewed the “Agreement of Sale” and the “Agreement to Surrender Interest in Conditionally Sold Real and Personal Property and Agreement of Repurchase of Property” submitted with your letter of September 11, 1956.

The Agreement of Sale, dated October 1, 1954, shows that the mortuary business of the [Ks] was sold to the [Ps] for \$75,000.00. \$15,000.00 was paid upon execution of the agreement and the balance was payable \$400.00 per month, including interest on the unpaid balance at 5% per annum.

The agreement dated June 30, 1956, is the agreement under which the [Ks] repurchased the business from the [Ps] pursuant to the option set forth in the agreement of October 1, 1954.

We think each of these transactions is a sale for sales tax purposes. We think that this is not an instance where the returned merchandise exemption should apply.

John H. Murray

JHM:rc