

M e m o r a n d u m**515.0100**

To: --- – Subdist. Admin.

March 10, 1964

From: Tax Counsel (EHS)

Subject: Reproducing Documents and Printed Matter For Clients

Prior to receiving your memo of March 5, Mr. Thomson called me regarding this problem, and then Mr. "E" of "M" called me. Yesterday afternoon, I again discussed the matter with Mr. Thomson.

I believe that when the reproducing of documents and other printed matter is done for clients in connection with the conduct of litigation, or the rendition of professional legal services, we are not required to regard the law firm as a retailer even though a specific or separate charge may be made to the client for the copies or reproductions. Some types of litigation require a great many copies of complaints and other pleadings or documents, and it is not always known at any given time how many copies will be required before the litigation or other form of professional legal service finally terminates. As you know, some litigation goes on for long periods of time. Additional copies of documents may be needed sometimes years after the original preparation of the documents.

Mr. "E" tells me that he believes his firm, and presumably others, would be inclined to limit their preparation of copies of documents to the situations herein above indicated, and probably would prefer not to engage in preparing copies or reproductions totally independent of the rendition of professional services. If any firm chose to do this, at least to any substantial degree, in other words, to go into a business venture in addition to practicing law, we would be forced to the conclusion that a permit would be required and the tax due and payable. However, I doubt very much that we will find any law firms deliberately engaging in such a commercial activity.

EHS:fb [lb]

cc: --- --- Dist. (Wm R. Thomson)