

July 29, 1965

Gentlemen:

This is in reply to your letter of July 13 in which you inquired about the application of sales or use tax with respect to your business advisory, record keeping, payroll and tax service.

This service was previously performed by "S", a subsidiary of "B". It is our understanding that "N" will perform the service in a substantially similar manner.

On the basis of the information which you have submitted, it appears to us that "N" will be furnishing tangible personal property to its franchised consultants for distribution to their subscribers as an incident to the rendition of services to such subscribers. Under such conditions "N" will be regarded as the consumer of tangible personal property used in rendering services and will be subject to tax measured by its cost of forms, binders, and similar items furnished to the subscribers.

Very truly yours,

George A. Trigueros  
Associate Tax Counsel

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