

January 19, 1965

Gentlemen:

Mr. Robert Hamlin, Chief Counsel, has requested me to reply to your letter to him dated January 13, which concerns a problem of the application of the sales tax to charges for cataloging services and printed catalogs.

We agree with you that charges for cataloging services alone as performed by "X" in the manner described in your letter are not subject to the tax, because what is paid for is not tangible personal property as such, but the service of cataloging existing books. We understand that there is a separate charge made for the cataloging service and is not merely incidental to the production of printed catalogs.

We believe, however, that charges for the printed catalogs are taxable except that portion attributable to the supplements which are regularly issued at least once every three months. Thus, the master catalogs produced every six months or yearly do not fall within the exemption provided by Section 6362 of the Revenue and Taxation Code. The supplements, however, issued monthly or bi-monthly fall within the periodical exemption. The situation appears comparable to law reports and, as you state, Shepard's Citator Service.

In Opinion of Attorney General No. 50-27, dated July 18, 1950, it was held that the Board's interpretation of Section 6362 as exempting the advance sheets of legal publications and the current supplements to Shepard's Citations, but as not exempting the bound volumes of the reports, was valid and proper, as was the Board's practice of allocating the combination price as between the bound volumes (taxable) and the advance sheets (exempt). A copy of this opinion is enclosed for your convenient reference.

Very truly yours,

E. H. Stetson
Tax Counsel

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