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**STATE BOARD OF EQUALIZATION**

August 10, 1966

Attention:

Gentlemen:

It is our understanding, from your letter of July 21, 1966, that you recently purchased a portion of the business and assets of a corporation outside this state. Included in those assets were designs, drawings, customer lists, and patents valued by the seller at \$29,679, and goodwill valued at \$1,000.

In our opinion, the designs and drawings are tangible personal property. Accordingly, the designs and drawings are subject to use tax, measured by the portion of the purchase price reasonably attributable thereto.

It is our further opinion that the patents, customer lists, and goodwill are intangibles. Accordingly, the portion of the purchase price reasonably attributable to these items is not subject to the tax.

Very truly yours,

George A. Trigueros  
Associate Tax Counsel

The part of the purchase price attributable to the patent would also be subject to use tax if the patent was necessary to operate machinery or equipment that was also purchase. See Anno. 295.0620. 6/7/84. D. J. Hennessy