



STATE BOARD OF EQUALIZATION

December 1, 1950

Gentlemen:

In answer to your letter of November 28, we advise you that REDACTED TEXT Corporation holds seller's permit REDACTED TEXT, issued under the Sales and Use Tax Law, and is, therefore, entitled to give you the customary resale certificates for property which it purchases for the purpose of resale.

We understand that it holds certain Government contracts pursuant to which it purchases merchandise, title to which passes to the Government upon acquisition of the property by the Corporation. As to such property, REDACTED TEXT Corporation is regarded as purchasing it for resale to the Government and properly issues resale certificates to its vendors covering such purchases, except as to property used in performing contract for improving real property. As to property used for this purpose, Section 6384 of the Revenue and Taxation Code requires payment of sales tax upon the sale thereof to the contractor.

Very truly yours,

E. H. Stetson
Tax Counsel

See now also Reg. 1521. SPJ 7/30/01