

565.0270

Memorandum

To: Mr. Robert Nunes

Date: May 29, 1973

From: T. P. Putnam

Subject: REDACTED TEXT

In response to your memo of May 8, electrical transmission and distribution lines within the meaning of Section 6016.5 are, on and after the effective date of that section, improvements to real property for all purposes of the Sales and Use Tax Law. They may not be treated as “machinery and equipment” under Regulation 1615, with a resulting exemption for a contractor who installs them under a contract with the United States, whether or not they are used to power machinery and equipment.

Since Section 6016.5 provides that such lines are not personal property for purposes of the Sales and Use Tax Law, they must necessarily be improvements to real property under Section 6384. Accordingly, tax applies to the sale to or use by a contractor of property used by him in constructing such lines under contract with the United States.

TPP:lb