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**STATE BOARD OF EQUALIZATION**

November 12, 1965

Mr. \_\_\_\_\_,

I have reviewed the information which has been submitted in connection with the petition for redetermination filed by "E".

Our auditors have taken the position that the modular anechoic chamber units assembled and installed by "E" constitute materials and not machinery and equipment under Sales and Use Taxes Ruling 12.

From the information which has been submitted, it appears that these units are substantially similar, in construction and manner of attachment, as the "special enclosures" furnished to the "N" and installed at San Diego, to which we referred in our memo of January 7, 1964.

As indicated in "E"'s literature, the anechoic chamber units are radio frequency-shielded chambers, assembled from prefabricated panels, which are bolted together and to the floor of an existing building.

If our understanding is correct, although each unit is bolted together and can be disassembled by removing the bolts, nevertheless it does not appear that it is "readily removable as a unit". Further, to paraphrase our statement regarding the "special enclosures", although manufacturing operations may be performed inside the chamber units, it is our opinion that they are not installed "for the purpose of performing a manufacturing operation" as that term is used in Ruling 12. Manufacturing operations could be performed in any room in a factory building, but the Board has never considered that fact as determinative of the status of a room as "machinery and equipment".

In view of the foregoing, it is my opinion that the modular anechoic chamber units assembled and installed by "E" constitute materials under Sales and Use Taxes Ruling 12 and not "machinery and equipment".

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