



STATE BOARD OF EQUALIZATION

December 23, 1964

Gentlemen:

In your letter of December 15, 1964, you inquire regarding the application of the California Sales and Use Tax Law to the sale of a 200 KW diesel generator set for installation at REDACTED TEXT in California on Navy Contract REDACTED TEXT. Your contract is with a general contractor located in Los Angeles, California.

Based upon information contained in the letter and information obtained by telephone December 23, 1964, it is our understanding that the equipment qualifies as "machinery and equipment" as the term is used in sales and use tax ruling 12, copy enclosed. We understand that the contractor will not use the diesel generator set in making an improvement to real property; that the unit, if attached to real property, is readily removable as a unit; that it is installed for the purpose of furnishing auxiliary power to a computer for a missile tracking device and that the power from the unit will not be used to perform a housekeeping function such as building lighting; and that title to the property passes to the United States before the contractor makes any use of it.

As indicated by telephone, you should obtain a resale certificate from the general contractor. For your information in this area, we enclose a copy of ruling 68.

The opinion expressed herein is based upon information furnished by you and is, of course, subject to audit verification. We trust this information is sufficient for your purposes; however, if you have further questions, feel free to inquire.

Very truly yours,

Jack D. Paulson
Associate Tax Counsel

JDP:o'b

Enc.

cc: Out-of-state – District Administrator
New York (SS)