



STATE BOARD OF EQUALIZATION

August 10, 1952

F--- W--- & A--- Sales
XXXX S. --- Avenue
---, California

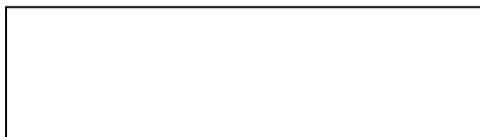
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Attention: Mr. G--- L. H---

Gentlemen:

In your letter of July 26, 1962, you state that you are the Central California Dealers for W--- and A--- trucks. You propose to enter into a transaction whereby you will lease a truck to an Idaho customer for 36 months under a pure lease. The truck will be manufactured in Portland, Oregon, and the lease will be effective upon delivery of the truck to the customer in Portland. Thereafter, the customer will transport the truck to Idaho where it will be located until the termination of the lease. We think, under the circumstances, the truck will not be subject to California Sales or Use tax.

You also requested that we advise you whether tax would apply to a transaction entered into as follows: You lease a truck to an out-of-state customer with the lease being effective upon delivery of the truck to the customer at an out-of-state location. Your purchase order to the manufacturer will require it to transport the truck to a California company which under the contract with the lessee will install a truck body and attach a trailer. Thereafter, the California company under its original contract, will transport the truck and trailer to the out-of-state customer. Thereafter, the truck and trailer will be used outside the State of California. Under these circumstances, we think there is no California Sales and Use Tax with respect to the chassis which you have ordered from the California manufacturer.



Very truly yours,

E. H. Stetson
Tax Counsel

EHS:cw