



STATE BOARD OF EQUALIZATION

September 25, 1963

Attention: _____

Gentlemen :

This is in reply to your letters of August 28, 1963 and September 6, relating to the application of Assembly Bill No. 1620 amending section 6388 of the Sales and Use Tax Law. We also discussed these matters by telephone recently.

Referring to the questions submitted in your letter of August 28, we advise:

1. The exemption applies to state-administered local sales and use taxes as well as to the state tax.
2. We believe that the word "resident" should be given the same meaning as was given the term as used in section 6366 concerning aircraft. The court in Garrett Corn. v. State Board of Equalization, 189 C.A. 2d 504, held that the purchasing corporations were "residents" when they had a substantial amount of activity in the state and had a number of employees here. The fact that the corporation is incorporated and has its main office outside this state will not prevent it from being considered a resident.
3. Whether the vehicle is actually manufactured or not in California is immaterial provided it is delivered by the manufacturer to the purchaser and the other conditions are complied with.

In your letter of September 6, you ask additionally whether an out-of-California International Harvester Motor Truck Branch would be considered a dealer located outside this state within the meaning of the law. We think your assumption is correct that it would be considered such a dealer.

You next asked whether it is material by what manner the purchaser "moves" the vehicle from the point of delivery in the state to a point outside the state. We do not think that it is material as long as the move is done by the purchaser or at his direction. We do not think it material that additional work is done on the vehicle between the time of delivery and the removal of the vehicle from the state. Regardless of whether section 6007 may be said to apply in this case, it would seem that the provisions of section 6388 are complied with if the purchaser causes the vehicle to be removed from the state within the 30-day period.

Very truly yours,

E. H. Stetson
Tax Counsel